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West Europe

West Europe

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FEDERAL REPUBLIC OF GERMANY

CDU Germany Policy Criticized

36200083 Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 8 Apr 88 p 5

[Article by Wolfgang Seiffert: "They Do Not Want Unity"; first paragraph is RHEINISCHER MERKUR/CHRIST UND WELT introduction]

[Text] In this issue we continue the controversial discussion of the new CDU papers with an article by Prof Wolfgang Seiffert of Kiel, professor of international law and former adviser to Honecker. It subjects the Germany policy to harsh criticism.

It is no longer only the harsh critics of the CDU Germany policy paper who are making themselves heard. Now those in the CDU, who for a start praised the paper, are also beginning to dissociate themselves, pointing out that the paper is no more than a "basis of discussion" and, for that matter, one that "is in need of considerable correction." But one should not let oneself be deceived about the intentions of those who initiated the paper. Their purpose was to go on record, as a matter of policy, with a change in Germany policy that had long since been made in practice, and thus to initiate a new phase in Germany policy. This policy not only deletes the aim of reunification from the political vocabulary but projects it far into the future, and makes it contingent on such provisos, as to make it disappear as a practical political issue and from any imaginable concrete policies. Instead, so many new realities of FRG integration and ties within and to West Europe are to be created that the FRG's top-ranked national political aim of completing the national organization of German unity and freedom is relegated from a constitutional norm to a mere footnote of the Basic Law, which may be referred to by anyone who so desires but from which no kind of practical political conclusions can be drawn any longer.

Considering such basic action, it is hardly surprising that a matter which at first glance appeared to be an internal one triggered in such a short period a debate reaching far beyond party boundaries. It remains to be hoped that this will occur in an even more far-reaching way than heretofore, because the questions posed by this "draft paper" affect the FRG's political perception of itself, and thus the question of its existence and its identity, and the very future of the nation of the Germans.

Here, however, the debate touches deep-going trends in the consciousness of the population in both the FRG and the GDR which, as a result of recent developments in inter-German relations, if anything, have become even more virulent. Since this is a question of a process that will also continue in the future, it is probably no exaggeration to state that the response to the posed basic questions in many respects will determine the direction in which the political landscape in both the FRG and the GDR and inter-German relations will develop between

now and the end of the century. Unfortunately, the paper creates the impression that its authors hardly realize the significance of their action, particularly not the significance of some basic facts of the situation of the Germans and Germany as a whole and their position in the world of today.

It is not a question of omissions, superficiality, or faulty logic (though there is some of that) if there is no mention whatever of the mandate of reunification, if the overcoming of the partition of Germany is equated with the overcoming of the partition of Europe, if the Germans' right to self-determination is tied to the "irreversibility" of the Western integration of the FRG and the neighbors' consent, if all German territories beyond the Oder-Neisse [Odra-Nysa] boundary are excluded, and Germany policy is reduced to the expansion of cooperation with the other state in Germany. Rather, it is a question of a political idea and strategy intending to part with the aim of German national unity. That, however, would mean to abandon the national mission, to fail to recognize the fact that the FRG cannot politically or morally, and cannot and must not legally, shed its responsibility for Germans in the other parts of Germany, because by doing so it destroys the state of the FRG.

When it states that the "overcoming of the partition of Europe, and thus that of Germany," presupposes an "overcoming of the West-East conflict," the "draft paper" proceeds from an utter misunderstanding of the "East-West conflict." The fundamental conflict between East and West is one of power politics and, at the same time, one of ideology (perhaps better one of values)—in other words, a conflict of systems. As such, it essentially cannot be overcome unless one of the two political systems existing in the world at present becomes all-powerful. As long as this is ruled out as a practical possibility, for whatever reasons (and it surely will not occur for a long time), it invariably can only be a question of the ways and areas and means of execution of this conflict.

The search for balancing interests on a basis of "peaceful change" constitutes the political action to see to it that this conflict is carried out in peaceful and civilized ways. This is also true of Germany policy. If, by contrast, it was intended to make the overcoming of the German partition contingent on the overcoming of the East-West conflict, it either would amount to putting off the aim of the national unification of Germany to the unforeseeable future, or it would be a question of a conflict strategy which contrasts with all current trends of disarmament and the reducing of hotbeds of tension. Yet nowhere in the paper is there any mention of a strategy of balancing interests in the German question with the Four Powers, which have rights of reservations in regard to Berlin and to Germany as a whole. This speaks for itself.

Likewise, in failing to connect the right of self-determination with any form of national unity of all of Germany and, instead, declaring the ties of the FRG to NATO and

European integration to be irreversible, the paper distorts the Germans' right to self-determination. Apart from the fact that nothing in history is irreversible, in the case of NATO it is a question of an alliance that serves a particular purpose for a period of time, and the founding of the European Economic Community included the proviso that the treaties would be reexamined in the event of German reunification. The Basic Law, for its part, according to its Article 146, is valid only until the whole German people in a free decision adopt an all-German constitution. It is the very essence of the right of self-determination to form a state which comprises the nation as a whole and freely to determine its internal system oneself. But those who enjoy this right of self-determination are not a portion of the nation (such as the "Staatsvolk" [people of the state] of the FRG or of the GDR) but the German people as a whole.

To link a reunified Germany a priori to the ties between the West and the FRG, which of course is only "a part of Germany," is at variance with this right of self-determination recognized as a *jus cogens* [binding law] norm in current international law. And also at variance with it is the integration of the FRG in a supranational political West European union, because this means no more and no less than the abandonment of any kind of independent future of the Germans as a political comity. The beginnings of such an antinational trend are already apparent in the protocols concerning the German-French treaty about the Financial Council and the Economic Council and the Defense Council.

It has been stated in the debate about the Germany policy paper that its serious faults and conceptionally wrong orientation make it "superfluous." Indeed it is not a question of amending the "draft" but one of coming up with a new paper. In doing so, one probably needs to face the fact that not the CDU as a whole but most of the authors of the Germany policy chapter do not want reunification and that their influence in the CDU is considerable. If, however, it should not be possible to come up with a viable new paper, it would be better to be content with the statements about Germany policy in the Basic Law and the body of judgments concerning it by the Federal Constitutional Court, which is binding for all parties as it is. Perhaps the authors ought to utilize the time thus gained to study the latest decision of the Federal Constitutional Court of 21 October 1987 in the so-called "TESO-FAIL," which they have ignored completely. It contains a succinct and logical answer—and, above all, one that is universally comprehensible and, above all, to the point in political-legal respects—to all questions that were posed in the paper but either were not answered or were answered wrong.

8790/6091

Spaeth, Lafontaine Debate Unemployment, Social Policy

36200:09 Hamburg *DER SPIEGEL* in German
9 May 88 pp 34-47

[Interview with Lothar Spaeth, minister president of Baden-Wurttemberg and Oskar Lafontaine, minister president of the Saarland, conducted by *DER SPIEGEL* editors Heiko Martens and Klaus Wirtgen at the state chancellery in Saarbruecken, date not given: "We Have Discovered a Common Meeting Ground"]

[Text]

[Question] Mr. Minister President, in the ZDF broadcast "What Now, Mr. Spaeth?" you said you would like to debate Oskar Lafontaine publicly about his proposal to fight unemployment by cutting working hours without fully compensating employees for their lost earnings. Are you going to put your fellow minister president on the back or take him apart?

[Spaeth] Both. Skilled labor is the only resource we have in the FRG, a country short on raw materials. Which is why we must take care not to cut working hours today only to find at some later date that we cannot fill our manpower needs.

[Lafontaine] What good does that do the two million people who will still be out of work in the nineties, if we fail to act? The question is how to deal with the problem. One possible solution is to redistribute the jobs we presently have.

[Spaeth] Let me give you an example. The director of research at Siemens recently complained that he is short 20,000 graduates with engineering diplomas. Now you, Mr. Lafontaine, would want to find jobs for 20,000 unemployed teachers by having 600,000 teachers work shorter hours and take a small salary cut. As for me, I would rather they did not go into teaching. I would retrain them and help close the engineering gap. It is high time we did some rethinking. It takes 5 years to train an engineer, even if he did study education originally. The low-birth-rate age groups will be upon us in the early nineties. That is when we will be faced with shortages, both in terms of quantity and quality.

[Lafontaine] There is no contradiction there as far as I can see. You can both redistribute and retrain the teachers. In fact it is being done already. Even in Baden-Wurttemberg there are half-time and three-quarter-time jobs for teachers.

[Spaeth] Those three-quarter-time jobs for teachers are just an interim solution. In addition, we carried out some successful retraining programs in cooperation with IBM, with Nixdorf and other companies.

[Lafontaine] No disagreement there.

[Spaeth] All right. Then we have to stay the course. The SPD goal of achieving the 30-hour week is a lot of rubbish.

[Lafontaine] Things are not all that simple; that is the problem. Take jobs for women, for example. If we had as many women working here in the FRG as they do in Sweden, we would not just be short 2 and 1/2 or 3 million jobs but 6 million. By the same token, if we mean to achieve equality for women on the job and in society, we can only reach that goal by redistributing work. In that sense, therefore, the 6-hour day or 30-hour week would be particularly helpful in opening the door to skilled women wanting to work.

[Spaeth] I protest! Statistical forecasts tell us that there will be a tremendous need for labor in the social service sector. We will only be able to solve this problem if we build up a huge service system both for outpatients and in old people's homes. Soon we will be forced to ask the women who are 50 years old today to work on these programs. A 30-hour week! Don't make me laugh.

[Lafontaine] If we figure on as many women working in the years ahead as in Sweden, we have to redistribute the existing jobs immediately. My overall goal is to achieve equality for men and women in the labor market. For the foreseeable future, that can only be done by shortening working hours.

[Spaeth] If you merely redistribute the work, then you take away the pressure on people to retrain, to continue to educate themselves, to reorient themselves. Your redistribution machinery merely serves to spoil the inner attitude of these people.

[Question] Let us return to the present, Mr. Spaeth. Although the economy has continued to grow at a moderate rate, unemployment has been rising over the past few years....

[Spaeth] Which is why Lafontaine's idea is 5 years late. There is no getting around it: he is a conservative. And I, as a progressive, am wondering whether one could still be maintaining 5 years from now what was right 5 years ago. Lafontaine's plan will be obsolete before he knows it.

[Lafontaine] I object! In spite of what you say, you yourself agreed to cutting working hours in the public sector.

[Spaeth] It does not bother me that we cut working hours slightly in our latest bargaining round once again; but I am against continuing this practice.

[Question] You do not want to see any further cuts in working hours?

[Spaeth] Correct.

[Question] At your latest Land party congress you refused to add manpower to the public sector after the agreement on shorter working hours had been reached.

[Spaeth] How am I supposed to fund the investments in the research field where the jobs of the future are being created? My goal is to increase public sector investment but not personnel costs.

[Lafontaine] The CDU/CSU took over the government saying that the best way to fight unemployment was the takeover itself. So now you cannot make it appear that the 2.5 million unemployed are merely a temporary problem which you propose to solve in the distant future. Something needs to be done today.

[Spaeth] Let us take a look at your proposal. We have a redistribution potential which is determined by growth in output and can be applied either to shorter working hours or higher pay. If you use all of it up on higher pay, nothing will be left for shorter working hours. There is no longer any incentive for new jobs. That is what you and the DGB are fighting about. But that happens to be your fight, not mine.

[Lafontaine] I do believe that too much went for higher pay and too little for shorter working hours. But given the present distribution among wage earners and salaried employees on the one hand and entrepreneurial profits on the other hand, the amount to be distributed cannot simply be determined by rate of output and real growth.

[Spaeth] So it is redistribution you are after?

[Lafontaine] The wage rate went down too much.

[Spaeth] That leads us to the question of what Oskar Lafontaine wants to take away from whom. Now you raised the question of the public sector: you would no longer give higher level civil servants the same percentage increases as the lower grades....

[Lafontaine] Starting with grade A-12, which includes the vocational school teachers.

[Spaeth] When I think about the kind of redistribution that would lead to, it merely makes me smile.

[Question] Would such a model work in trade and industry?

[Spaeth] No. In that sector of the economy the problem takes care of itself. If skilled workers lose this or that as a result of the bargaining process, their employer will immediately make up for it. Exactly at the point where you [Lafontaine] mean to redistribute there is an urgent need of manpower.

[Question] We actually addressed our question on the applicability of the model to Mr. Lafontaine.

[Lafontaine] Trade and industry operate according to a different set of criteria. In the public sector, the size of the budget will determine the number of positions. In trade and industry, the focus is on output and profit. The employer is only under pressure to hire new workers, if shorter working hours clearly exceed the past year's rate of output. That is the crux of my dispute with the labor unions.

[Question] You are talking about shorter working hours above and beyond the agreements already reached in bargaining talks.

[Lafontaine] Yes. No one forces the bargaining partners to stick to the output margin. But then questions of cost do arise which must be cleared up.

[Question] Let us take an example. Following the conclusion of a bargaining agreement, the payroll of a given business increases from 100 to 110. Estimated output trends permit the business to make that upward adjustment. At that point, shorter working hours without wage compensation are introduced. Under those circumstances wages are bound to drop, aren't they?

[Lafontaine] On the one hand, it is possible to redistribute among the different wages, from the top down....

[Question] But that does not cut the payroll itself.

[Lafontaine] For one thing, it does not increase. But that will not be enough, if working hours are cut substantially. This calls for government subsidies.

[Question] But that seems to imply that the agreement between the SPD and the unions which stipulates that no employee's wages or salary should be lowered following a cut in working hours would not apply at the top at least.

[Lafontaine] You are right: that formula is none too well defined. Either a redistribution of earnings takes place or the government has to make up the difference—or both.

[Spaeth] I still don't understand. The higher earners are supposed to make a sacrifice; is that what you are saying? That is where the savings are to be made, so that the unemployed can get jobs?

[Lafontaine] Yes.

[Spaeth] In other words, you plan to cut earnings at the very point where innovation and the dynamics of society start. If we do that, we will not be able to hold our own in international competition.

[Question] At your Land party congress you called these proposals of Lafontaine's "typically socialist, unrealistic."

[Spaeth] That is right. They are not really like him. That is why I am so astounded by them.

[Question] It isn't like him to be socialist?

[Spaeth] Socialist, that he is of course; but unrealistic he is not.

[Lafontaine] Let the higher earners make sacrifices: what does that mean? They would be asked to give up their pay raises just once, not every year. They would still be getting the same salary....

[Question] And would work shorter hours.

[Lafontaine] Right. Secondly, as the pay scales were raised in linear progression over the past several years the higher grades ran away from the lower grades and on top of that, the tax reform provided them with additional benefits.

[Spaeth] You want to cut the salary of young researchers whose services are in great demand just so more lower grade employees can be hired. That is absurd. It is just as absurd to freeze salaries at the top of the civil service pyramid. Take environmental policy. I am competing with industry as I desperately try to get people in that field to work for the government. I can't get them.

[Lafontaine] You can afford to pay good salaries to top talent. You have lots of money. You are a real head-hunter. I will admit that a good deal of what you say makes sense. But we do have 2 million unemployed. And you are not helping them when you talk about the marvels of technology.

[Question] Mr. Spaeth, can an affluent society afford to lock out 2 million people who are looking for work and, on top of that, spend an average of DM 25,000 on every jobless person?

[Spaeth] It should not permit itself to get into such a situation. The fact is that the unemployment benefits are almost equal to the wages earned by lower income recipients.

[Lafontaine] Are you saying that the unemployed are getting too much money?

[Spaeth] No one would dare make such a statement.

[Lafontaine] Do you dare make it?

[Spaeth] Nope.

[Question] But you have said so already. You said that young people who simply do not want to work should have their benefits cut by 20 percent.

[Spaeth] The master craftsmen keep telling me that they have 30,000 openings for young people. On the other hand, 40,000 of our young people in Baden-Wurttemberg are unemployed. There is no reasonable person in the world that can understand that.

[Lafontaine] We have to make a distinction between joblessness among young people and young people unable to find a spot to learn a trade. Last year, more training positions were offered than asked for in the Saarland and other laender for the first time ever. But that has not solved the unemployment problem among young people, i.e., of those who are looking for work and not just for a spot to learn a trade.

[Spaeth] That is why I asked the master craftsmen in my area whether they are prepared to employ young people who just want to work but do not care to go through a long apprenticeship. They said yes. Let me tell about it by regions. I will start with the Mannheim crisis area. I had 540 actual openings there. I asked these craftsmen not to think in general terms but to go into particulars, e.g., which trades, what kind of jobs. Next, I asked the employment office to send over some unemployed young people and then I wanted to see why they tell me the same story every year: one group claiming that they cannot find any people and the other group saying that they cannot find any jobs.

[Lafontaine] This has precious little to do with freely choosing your line of work. I know of one region in Germany where that is how it is done. Here is your job, they say. Now go to it.

[Spaeth] Let me now put it in words of one syllable. I would radically cut off government benefits from anyone 19 or 20 years old who decides not to accept a regular job under a normal labor contract because he does not feel like working.

[Question] Why do you limit that to young people? You could offer all the unemployed in Baden-Wurttemberg to go sweep out the woods.

[Lafontaine] That is already being done. That is the debate you started, Mr. Spaeth. If you turn down the job that is offered to you...

[Spaeth] No, no. I will not accept responsibility for unemployment as such.

[Lafontaine] Then you must explain.

[Spaeth] We have to distinguish between the 20-year-olds who have started out on jobs three times and quit three times and a 57-year-old accountant whose firm went bankrupt and who now has a hard time in his retraining program. His problem can be resolved jointly by the unemployment insurance program and welfare.

[Lafontaine] I talked to a father yesterday whose son is extremely handy and who has been looking for an apprenticeship here in the Saarland for the past 6 months.

[Spaeth] In what field?

[Lafontaine] As a locksmith.

[Spaeth] Let him come to Baden-Wurttemberg.

[Lafontaine] That boy just finished junior high school. He never made it because they kept on telling him he at least had to have an intermediate level certificate.

[Spaeth] Give me the man's name. That young man will get a spot in Mannheim which is not too far from Saarbruecken. I vouch for it.

[Lafontaine] I looked into the matter myself and the boy now has an apprenticeship. But how would you react if that boy gave up after 6 months out of sheer frustration and went astray?

[Spaeth] Then I would have him come down and I would stick with it however long it took to get him placed. That is why your suggestions are 5 years too late.

[Lafontaine] Now we are back on the subject of shorter working hours.

[Spaeth] Yes. 3 years ago, we had similar problems in Baden-Wurttemberg, too. But today, the master craftsmen are simply asking where they can go to pick up a young man like that.

[Lafontaine] I am willing to admit that the situation in Baden-Wurttemberg is better in a great many ways and that your structural policy has been successful. But if you were mining ore or coal instead or had seaports, things would be entirely different. Then you would be burdened by expenses for social programs the way the poorer laender now are, e.g., Lower Saxony or the Saarland.

[Question] Mr. Spaeth, you do not agree with Ernst Albrecht, the CDU minister president of Lower Saxony, that the costs of the social programs should be more justly divided and that the federal government should pay for one-half of them. And you, Mr. Lafontaine, support Albrecht's position.

[Lafontaine] Mr. Spaeth accuses his fellow CDU minister president of trying to create a "fleecing community." And my feeling is that Spaeth wants to create a strong-arm community.

[Spaeth] Just looking at Mr. Lafontaine, I would say he is not too far removed from the strong-arm society himself.

[Lafontaine] I use my strength on behalf of the socially disadvantaged; you are using yours on behalf of a prosperous land in the Bundesrat.

[Spaeth] In my "prosperous" land we do not need to resort to strong-arm methods because a greater number of people are gainfully employed. In the FRG as a whole, annual expenditures for social programs have been registering double-digit increases (in 1987, they stood at

DM 25 billion) while our GNP increased just 2 percent. The population trends in the next years ahead will intensify this cost explosion. And as far as you are concerned (and, unfortunately, my colleague Albrecht as well) all you can think of is redistribution.

[Lafontaine] You know why? Because in our republic there is a redistribution mechanism at work according to the "the devil shits on the highest hill" principle.

[Spaeth] That is a pretty uncouth way of putting it. Albrecht would have used more civilized language. But then this is not the Bundesrat.

[Lafontaine] I am not trying to be mean. I am merely pointing out that the structurally powerful laender such as Bavaria and Baden-Wurttemberg get the lion's share of federal funds—for the postal service, the railroads, for research and the military.

[Spaeth] In terms of the economy as a whole, the federal projects are just peanuts.

[Lafontaine] Let us have your peanuts and I will not say another word. The Baden-Wurttemberg peanuts would quickly....

[Spaeth] I am not taking them away from you.

[Lafontaine] The government in Bonn takes care of that for you.

[Spaeth] Here you go again, trying to redistribute. And my colleague, Albrecht...

[Lafontaine] ...the well-known socialist...

[Spaeth] ...has also succumbed to the redistribution idea. He is walking down a dangerous road.

[Lafontaine] At first, the word was that the cost of unemployment would be borne by the federal government; but now the laender and, even more so, the individual communities are being asked to shoulder the burden.

[Spaeth] Well, then get it off your shoulders.

[Lafontaine] We are trying to do just that.

[Spaeth] Not so. You are trying to redistribute.

[Lafontaine] I jokingly accused Albrecht of being a socialist just now and you did not object very strenuously. I was really being unfair because this mechanism represents a redistribution of government funds and not a division between the government and industry. You are also coming closer to the idea that we must have a new structural policy in the FRG. You, too, are beginning to realize that it is not healthy in the long run for

some of the laender to prosper while others lag behind. Of course we know perfectly well that each of us must make an effort of his own first of all.

[Spaeth] Watch out: now he is asking for higher user taxes.

[Question] Are user taxes going to be raised on structural policy grounds?

[Lafontaine] In the Bundesrat, we offered the government a larger share of the value-added tax in exchange for higher expenditures for social programs in the years ahead. How are we going to fund the rest? For the past 10 years I have been saying that we could get some money out of the tax on mineral oil.

[Spaeth] I would prefer our looking at the bargaining policies of the labor unions which are also having an impact on the north-south differential. We cannot continue to pay the same wages in the Ruhr area as in the central Neckar area, where there is no steel crisis.

[Lafontaine] Such differences already exist. Highly profitable firms such as Mercedes are paying higher wages than the labor contracts call for.

[Spaeth] That is not enough, and the unions know it. But let me turn to another subject.

[Lafontaine] Could I cite an example?

[Spaeth] I know that you must protect the labor unions now. That is your duty.

[Lafontaine] Just as you occasionally protect Kohl against me. That is your duty. But let us get down to business. In the Saar, the metalworkers union (IG Metall) showed consideration for a regional problem when it allowed a labor contract to go into effect 6 months later than in other parts of the FRG.

[Spaeth] Those are minor matters!

[Lafontaine] Not for us.

[Spaeth] But 6 months do not make a difference in terms of the overall problem.

[Question] In your book, "Wende in die Zukunft" [Turning Toward the Future], Mr. Spaeth, you wrote that labor union members are no longer interested in the class struggle and the contradiction between capital and labor; that they are less and less inclined to accept the "strength in numbers" principle as the work they do becomes more and more specific and demanding. Are you casting doubt on the continued existence of the labor unions as mass organizations?

[Spaeth] The growing number of highly skilled workers, engineers, technical personnel, upper-level white collar workers will not remain in the unions if they turn redistribution into their primary goal.

[Question] Your position is close to that of Mr. Spaeth, isn't it, Mr. Lafontaine? In your book, "Die Gesellschaft der Zukunft" [The Society of the Future], you point out that the ability to transform structural change into social progress is the issue which will decide the survival of the labor unions.

[Lafontaine] The workaday world is changing. There isn't a labor leader who will deny that.

[Question] Alvin Toffler, the American futurologist, predicted just a few days ago that the labor unions can only save themselves from extinction if they aggressively insist on removal of restrictive work guidelines; if they support radical programs of automation and if they encourage their governments to accelerate the process of transferring government functions to the private sector.

[Lafontaine] Lothar Spaeth would make a perfect new-style labor leader.

[Question] And the labor unions would get the 25-hour week in exchange.

[Lafontaine] But Spaeth would not agree to that.

[Question] Plus 5 hours per week for retraining and all of it without loss of earnings.

[Lafontaine] Futurologists always have an easy time making radical demands; but the real world looks different.

[Spaeth] I fully agree with Oskar Lafontaine. Toffler was painting a black-and-white portrait of the future. He meant to be provocative. But some day that provocation will turn into reality and the labor unions will have to have an answer for it. No doubt they will be unable to disregard their social obligations in the way Toffler suggests.

[Lafontaine] In principle I have no quarrel with Toffler's statements. The only question is how fast things are going to change. As politicians (and I think Lothar Spaeth will not contradict me on this) it is our job to strike a balance between structural change and social progress. That always tends to slow things down somewhat.

[Spaeth] It is our political task to tread the thin line between the position of someone like Count Lambsdorff (who says "liberate the market from restrictive forces, then the market will take care of everything") and the position of the labor unions which continues to be oriented toward the mass production society.

[Question] The FDP has suggested that the jobless not be tied to union contracts but that they be permitted to conclude their own private contracts with industry with lesser benefits.

[Lafontaine] In such circumstances, industry will no doubt take people on below union scale. That is not a good proposal at all.

[Spaeth] I would rather establish scales which permit more leeway along these lines. But I would not throw the union contracts overboard. That would be the shortest route toward the strong-arm society.

[Question] We found the following sentence in your book, Mr. Lafontaine: "The redefinition of work supersedes the concept of joblessness in that continued education and retraining are viewed as activities aiming toward the self-realization of humankind."

[Lafontaine] In this context, the word "supersede" is used in the Hegelian sense, i.e., it is better to spend money on continued education than to finance unemployment.

[Question] But such a definition does not protect a 50-year-old steel worker who has just lost his job at the Rheinhausen plant.

[Lafontaine] It is perfectly true that one cannot tell that man to go to Nixdorf and have himself retrained as a computer specialist. But at the same time we must apply different criteria in the case of those who are just entering the labor force.

[Question] The CDU, Mr. Spaeth, has also prepared guidelines for a new definition of unemployment for its upcoming party congress. The official figure of 2.3 million unemployed is to be reduced. From now on, the Federal Labor Office will not announce that frightening total figure each month but will separate out the 500,000 people looking for part-time employment along with moonlighters and the unemployables.

[Spaeth] I would not want to make too much of that proposal by my party. I do not think it is a bad idea to give the public a clearer picture of the unemployment situation. But it will not solve the underlying problem.

[Lafontaine] I would warn against going through with the idea. I am all for improved statistics. But in my view, [CDU General Secretary] Heiner Geissler is trying to divert attention from the claim that the change of government in and of itself was the best program to fight unemployment. The CDU has now been running the government since 1982 and everybody knows what the result has been. I have no objection to an honest debate but we will not sit still if an attempt is made to vilify the unemployed by saying they are lazy.

[Spaeth] Any blanket exclusion of this or that segment of the population from the jobless statistics must not be allowed to keep us from tackling overall unemployment as a problem. I fully agree with that position.

[Question] Will you vote against the proposal at the party congress?

[Spaeth] I have not yet been informed of the details of the proposal; but if need be we will offer some amendments to it. For example, if the number of women wanting jobs increases, we cannot simply gloss over that by saying that the husband has a job and that is that. Otherwise, unemployment would not enter the equation at all in the case of double earners.

[Question] But that will get you in trouble with the economic wing and the middle class interest group inside your party.

[Spaeth] The basic problem for all people's parties will be to understand that they need to view problems in clusters. That applies equally to the SPD and the CDU. The smaller parties, on the other hand, can select specific groups of voters and pursue more rigid policies on their behalf. That could turn into a destructive threat for the people's parties.

[Lafontaine] That was a side-blow at Hans-Dietrich Genscher, my breakfast companion.

[Spaeth] Is Genscher the only person you have breakfast with?

[Lafontaine] No. You are just as cordially invited. Of course I agree that we have to tie the different groups together. And in this regard above all, the people's parties must not forget the unemployed.

[Question] So there are areas of agreement between the two of you after all. In other words, are we in the presence of the new Ludwig Erhard of the CDU and the new Karl Schiller of the SPD here today?

[Lafontaine] Such analogies are always persuasive, but at the same time they are far too simplistic. Erhard and Schiller were active in times which are not comparable to ours.

[Spaeth] Once you start to think about the future, even if your points of view are different, you must admit to yourself that your own ideas will not lead to an overall solution and that you must also change some of them. This kind of thinking will be more profitable if you do not pin this or that label on us—although there will be more of an outcry from other people than from myself if you pin the Erhard label on me. You will see from the letters you get for making that comparison. Ludwig

Erhard himself realized early on that a social market economy must not be a pure economic order; that economics must be the handmaiden of social philosophy.

[Lafontaine] I would like to add something to that. Erhard and Schiller both are synonymous with a social market economy and as for us today, we are faced with the task of transforming the social market economy into a social and ecological market economy.

[Spaeth] That is part of it.

[Lafontaine] This is a task which was not viewed in that light back then.

[Question] Would you agree with us if we say that we can see the beginnings of a grand coalition emerge from this interview in the Saarbruecken state chancellery? You have produced quite a few common positions.

[Spaeth] I would strongly disagree because your conclusion can be inferred from it.

[Question] What conclusion is that?

[Spaeth] That you are saying that if there are a great many common positions that this will serve to build a fairly comprehensive coalition speculation on them.

[Question] So?

[Spaeth] We discovered a great many differences of opinion today but also some common positions on many issues. At this point I ask myself: What is the job of political parties and of people who are active in political parties—not just as members of the rank and file but who also wish to do some critical thinking in these parties? Isn't it fairly obvious that the two great people's parties will view a great many issues in the same way or at least along similar lines?

[Question] You do not deny that there are common positions but only the number of them?

[Spaeth] I do not deny in the least that there are a good many common positions, as this conversation has shown. But I do deny that this already amounts to a jointly defined program for the future. And I deny even more vehemently that the two of us can guarantee that these positions, insofar as they are common positions, have already been adopted by our parties.

[Question] Do you also have so much trouble summing up the conversation?

[Lafontaine] I don't have any problems. But that is not what I understood Lothar Spaeth to say either.

[Spaeth] I don't have any problems either.

[Lafontaine] But I also believe we expressed a large number of different views. The conversation would have been damned boring if we had agreed on every issue.

[Question] Mr. Lafontaine, Mr. Spaeth, we thank you for this interview.

09478

GREECE

ND's Reported Anti-Americanism: Causes, Manifestations

35210086 Athens TO VIMA in Greek 10 Apr 88 p 3

[Article by M. Dimitriou: "The American 'Nightmare' of K. Mitsotakis"]

[Text] It does not appear that the barbs expressed recently by the former deputy minister of foreign affairs and deputy from Akhaia, Andreas Zaimis, against U.S. Ambassador Robert Keeley were one more isolated episode in the troubled relations of New Democracy with the U.S. Embassy in Athens. A series of facts, before and after Zaimis' attack against Keeley and his wife as "atypical PASOK members," persuade that the relations of ND and the U.S. Embassy are passing through a deep and many-sided crisis.

A peculiar anti-Americanism has developed recently among ND's leading echelons and Mitsotakis' entourage; it is revealed in a controlled way—at least publicly—and usually centers on the person of Keeley. The story began in 1981 after PASOK's electoral victory. In a first phase, there was, in certain leading party circles, the expectation that "the Americans will soon give Andreas and PASOK walking papers from power." This was followed, particularly after 1985, by the strong complaint that "the Americans prefer to be with PASOK and, in fact, without any inclination to pressure Andreas." Both Mitsotakis and other leading ND officials do not hide in private discussions their disappointment over the fact that "the Americans in recent years have allowed Andreas to speak a double language on the bases, one to themselves and another to the Greek people." Mitsotakis had vigorously broached the issue of this "bilingualism" to both U.S. Secretary of State George Schultz and the assistant secretary of state, Rozanne Ridgway, but received no response.

The third phase of the anti-Americanism in ND's leading echelons is a continuance and expansion of the two previous phases. This is the phase of anger. In the discussion on foreign policy on 11 March, the ND president expressed—with barbs to the person of Prime Minister Andreas Papandreou—the anger the ND leadership feels about U.S. foreign policy going along with the Greek Government's dragging paces, especially on the issue of the new bases agreement. Nevertheless, despite his populistic performances lately, Mitsotakis does not seem willing, for the present, to cultivate within

the conservative faction strong anti-Americanism as a political-ideological choice. He knows that such a thing will only cause, in the best case, confusion and, in the worst case, disillusion.

For these reasons, Mitsotakis and his close staff officers are confining themselves, for the present, to incidental barbs against the prime minister and the government, with the hope that they are creating "ruptures of ideology and political credibility to the left of PASOK." They are not turning anti-Americanism into a main field of confrontation. This is because the phase of anger in ND's and Mitsotakis' anti-Americanism is connected to certain other expectations and tactical movements.

To be precise, Mitsotakis believes that the policy of "rapprochement with PASOK" is a choice of the present State Department leadership, specifically George Schultz's staff officers. To this circle of staff officers are ascribed the negative judgments about the future of the present ND and Mitsotakis in Washington, NATO (as TO VIMA revealed recently) and Athens. Mitsotakis believes this climate will change with the elevation—as is believed will happen—of Vice President George Bush to the highest office in the United States next November. Mitsotakis has met repeatedly with Bush in Washington in recent years and is said to have good personal relations with Bush's staff.

Parallel with these expectations, the ND leadership believes that the U.S. ambassador in Athens does not simply follow orders from the State Department but has personally chosen the policy of contraposition with ND and the role of "greenguard," almost. This conviction has been reinforced both by the incident of Ellen Bonaparte (with her well known opinions against Mitsotakis' leadership expressed in Salonica in front of the local ND deputy, Dimitrios Stamatis) and by the content of the U.S. ambassador's recent speech on investments in Greece.

The U.S. Embassy answered Zaimis' criticisms with a letter of protest from Keeley to Mitsotakis and a demarche of the diplomatic agent, Edward Cohen, to the general secretary of ND's Parliamentary Group, Athanasios Tsaldaris. Three days after Zaimis' criticisms were publicized, the party announced half-heartedly that these are "personal opinions," without trying to censure them or distance itself from them.

In conclusion, the "Zaimis incident" is not simply another addition to the problematic relations of the ND leadership with state department circles and the U.S. Embassy in Athens, it is a new phase and a peaking of the crisis in them—a crisis which is not going to remain without a sequel from both sides in the immediate future.

9247

KKE Modifies Long-Held Position on EEC Membership

EEC Seen in Development Context

35210081 Athens 1 KATHIMERINI in Greek
25 Mar 88 p 1

[Editorial by Andreas Zoulas]

[Text] The positions on EEC KKE announced 2 days ago constitute a significant development and may have broader political repercussions in view of 1992 [when the Community's economic unification commences]. While maintaining its strong anti-EEC positions which derive from its whole philosophy, KKE appears to be applying to the entire area of its political activities the rules and objectives it used until now in the Eurocouncil for similar activity: the struggle, that is, for improving—in its opinion—the conditions for our country's development within the EEC framework and until the "conditions for Greece's disengagement" from it are determined.

It is possible that KKE's new positions may affect political issues and may provoke developments within the party's narrow area as well as in the broader area of the Left and even in KKE-PASOK relations no matter how they shape up—whether complimentary or antagonistic. It is also very possible they may help to speed up procedures for "European integration" and lead, to a degree at least, to the ameliorization of the political cleavages created by clinging to an obviously antiquated partisan dogmatism.

From this last point of view, the KKE step is important but exceptionally timid since it is burdened with partisan dogmatism (major among which are the absolute statism or "struggle" against monopolies and the "EEC directorships"). As an example, the KKE positions that in view of 1992 all lawyers, doctors, architects and engineers should be "cooperativized" because "these professions will probably be infiltrated not by isolated private citizens, but by modern enterprises" proves that the party's new position on this specific issue leads to "offensive social situations."

On the other hand, the fact alone that KKE no longer endured its disavowal of EEC may prove to be a positive factor. But it must prove in practice the exact nature of its new position. Is it the beginning of its adjustment to EEC's premises or the beginning of political doubletalk similar to that PASOK practiced in the past with regard to EEC and NATO?

To this day, the position KKE has always taken on EEC (a position almost similar to that PASOK took during the period before the 1981 elections) is—as far as Greek political reality is concerned—an attempt on its part to establish a platform which can better support the party's call for adoption of the simple proportional [electoral system].

Indeed, this rapprochement of KKE positions with those of PASOK (even with those of the present government) constitutes a more definite outline of what is emerging as a "minimum program" for political or even governmental cooperation. There exists, of course, the enormous sector of the government policy on Greek-American and Greek-Turkish relations where the KKE positions are diametrically opposite and where the possibility of PASOK reversing its course cannot be excluded.

In any case, the KKE rapprochement with PASOK's positions on specific EEC issues does not exclusively prejudge cooperation. It is characteristic that, as [KKE Politburo member] Gr. Farakos overemphasized at his press conference 2 days ago, "KKE advanced its position on EEC vis-a-vis bipartisanship." This means that KKE does not offer but claims cooperation with PASOK. And, at their initial stage, its positions on EEC are based on efforts the party has recently undertaken to unite the leftist forces. Moreover, one should not overlook the fact that KKE itself links the new EEC dimension of its efforts with the coming elections. The party's whole rationale is based on issues which are particularly sensitive not only to leftist voters discontented with PASOK but also to party members and government officials.

Of course, the fact should not be overlooked that the new KKE line exposes the party to the danger of being branded a "PASOK appendix." This could possibly happen during the critical election time when, after a short period of rapprochement and "a bipartisan dialogue" with PASOK, Papandreu may again choose to proclaim PASOK's self-reliance and tell the displeased leftist voters that KKE now recognizes PASOK as a "trustworthy political representative of the Left."

Besides, there already exists a de facto KKE-PASOK cooperation in the syndicalist area. The two parties cooperated in preparing the Greek General Confederation of Labor Congress to be held the last 10 days of April as they did also cooperate in a joint celebration of the agrarian cooperatives' anniversary at Kileler on 3 April.

Rapprochement With PASOK

35210081 Athens 1 KATHIMERINI in Greek
29 Mar 88 p 10

[Text] PASOK is hastening to also exploit its objective rapprochement with KKE on EEC issues as outlined by the relevant proposals the communist party formulated. PASOK again repeated the view that the party will retain its political and ideological independence and pointed out the need for a dialogue with the Left and especially with KKE. On its part, the latter tried to include a "scenario" the assessment I KATHIMERINI published about Konstandinos Karamanlis' role (!!!) on the political impact KKE's positions may have on EEC.

More specifically, a signed article in the PASOK party newspaper EXORMISI (27 March 1988) states that "PASOK has no intention of opening a front with KKE because this is not in the interest of the liberal movement" and that "the scenario about a PASOK-KKE front of cooperation has no relation whatever to reality."

The signed article repeats the well-known positions of the governing party on its differences with KKE, and points out that the ideological, strategic and political differences between PASOK and KKE are real. At the same time the article also points out that "any cooperation and joint action on institutions and social causes derive from our very differences and contradictions."

Finally, the article repeats both the proposal for a dialogue "with KKE's progressive forces" and the "political and ideological independence" PASOK will maintain during the 1989 elections.

For its part, in a series of articles in RIZOSPASTIS and in speeches by party cadres, KKE is trying to tone down the impressions created by the agreement for a joint celebration with PASOK at Kileler and by the new positions it has taken on EEC. Mimi Androulakis, a KKE Politburo alternate member, referring to articles published in VRADYNI and I KATHIMERINI on PASOK-KKE relations said:

"Those who are publishing these articles want something but cannot ask for it openly. They are attempting to speed up developments within ND and, by concocting—in a journalistic way—a PASOK-KKE front, hope to be able to raise an ND leadership issue and achieve the return of K. Karamanlis. However, in these schemes of theirs they should leave out KKE. We do not bite on such bait."

With regard to the former president of the Republic, Androulakis said: "We respect Karamanlis as a political figure but it is not possible for a person over 80 years old to re-enter politics."

7520/9274

Suggestions to Papandreu, Scenarios for National Elections

35210080 Athens ANDI in Greek 29 Mar 88 p 17

[Text] Do you want the election to be "simple," "quiet," "civilized," what is described as "European style"? You may get this kind of elections. Or do you prefer, faithful to tradition, the Mediterranean hot style, garnished with abundant Greek temperament? You may get this kind of elections too, because it is very possible that the previous electoral wars will be repeated. This repetition, if it is decided that it is the most advantageous solution for PASOK, will make all of us taste an electoral campaign period of astonishing ferocity and may be the last for the two duelists who are tormenting the spectacle-loving public with their acts of prowess since 1965.

You must be wondering, however, why is it that this article started by referring to "electoral scenarios," and the shape the election campaign will take. But of course, because the aspect the election confrontation will have is the most important of the many factors which are reviewed in conjunction with the file named "elections" that has been opened by both the government and the major opposition party.

In the choices set by the leadership of PASOK, the timing of the elections takes second place, followed by the electoral law, and at the bottom of the priority list is the content of the electoral campaign.

The PASOK elections file, a copy of which is already in the hands of Mr A. Papandreu—on whose decision will depend most exclusively the style, timing, content of the electoral campaign and the electoral law, is already voluminous and is steadily being updated.

The suggestions included in the file are addressed to the "president" and come mainly from:

- The responsible minister of the interior, and his assistants. These recommendations are mainly of a "technocratic" nature with logistics content and analyze the various scenarios of the electoral law in conjunction with the electoral districts, both large and small;
- The various organs of the PASOK and in particular the executive office;
- The political office of the prime minister;
- Isolated cadres and officials, such as Messrs Alevras, Koutsogiorgas, Livanis, Karatzis, to mention only those better known.

For his part, the "president" listens and asks questions, requests complementary date and...keeps silent. Thus nobody knows his innermost thoughts. However, from the suggestions and other data in the file we can conclude that we are facing primarily two possibilities:

Elections in 1988

The prevailing views within the governing party and most of the suggestions favor parliamentary elections toward the end of the current year, starting by mid-fall.

To make this possible, the greatest public relations campaign every seen in our country is already in effect. The plan covers a 6-month span and with the help of timely conditions, it is already considered a plan for sure success and good returns. The whole public relations campaign launched by the government and the prime minister is adequately camouflaged by his ascendance to the presidency of the European Community, so that it appears "justified."

The scenario begins with two or three spectacular actions. By the time he will become president of the EEC on 1 July, Mr Papandreu will have already appeared

before the United Nations General Assembly in June to deliver a speech on peace and disarmament as "a leader of international renown." And, if this speech is preceded by a U.S.-Soviet nuclear agreement at the summit meeting in Moscow in May, it would help him a lot to project his pacifist profile and his contribution in this direction, even if he could claim only one-sixth of this contribution.

Immediately after he becomes president of the EEC he will proceed to another spectacular action: the denunciation of the 1983 agreement on the American bases.

At the same time preparatory procedures, one hopes substantial, would start for the Second Congress of PASOK, unless this Congress is postponed or cancelled as the latest information indicates despite the denials of K. Laliotis. Moreover, the whole apparatus is already rolling on the road leading to elections.

The 6-month campaign is expected to conclude before the end of the year with two important events:

—The formal visit to Greece by Gorbachev, for which the government is moving heaven and earth, and

—The summit conference of the heads of states and governments of the Europe of the "Twelve."

In this favorable atmosphere for Mr Papandreu, it is considered very possible that elections will be proclaimed, very suddenly, with a short electoral campaign period, which will take place in a mild political climate. It is believed that in this way, the opponents "will be caught sleeping" and will not have the time to react, unable to do so also because of winter weather conditions.

In this way it will be easier to offer again to the people the halo of leader of the government and the party, in contrast to Mitsotakis, for whose good health there is more concern within PASOK than within the New Democracy.

Concluding the 4-Year Term

In case the first scenario does not "materialize," the elections will inevitably be held at the end of the 4-year term.

There are two factions within PASOK that favor the full 4-year term. The supporters of the first faction say that "the government must finish up the 4-year period so that it can produce substantial work on the basis of which it will appeal to the people to ask that they re-elect it."

The other faction speaks about elections in June 1989, with an "incident" that will refer mainly to the subject of bases, which "will bring victory again, as happened in 1985, with the incident over the president of the Republic."

It should be noted that the team negotiating on the bases has already received orders to prolong the discussions as much as it can.

If Mr Papandreu decides in favor of this scenario, the whole stage will change. The thoughts about mild political climate will be go up in smoke, the electoral campaign period will be prolonged and during its span the situation will be a mess. There will be no middle of the road. The extremes ("black-white," "darkness-light"), the stirring up of passions and rekindling of past passions will prevail.

But the most important element that comes in support of completing the full 4-year period is the... "protest vote." As known, if the elections are held in June 1989, they will be combined with the Euroelections. Thus the two elections will offer Mr Papandreu the opportunity in one to reap the results of his vote hunting campaign that has already started, while the other will bring him the protest vote for what he is doing. In other words, "no harm done."

"There is no way we could make them a present of the protest vote," say top cadres of the PASOK. They add: "If we hold the elections at the end of this year most probably we shall win with a limited majority. In this case we shall be facing another electoral struggle after a few months—that of the Euroelections—where the phenomenon of the protest vote will be better manifested. So we would have to hold another election, when instead the two elections would solve all of our problems."

This June

In the last few days, however, there have been several reasons in support of the arguments of those who maintain that elections should be held this coming June. The most important of these reasons, is the course of the "national issues" after Davos and Brussels.

Information and evaluations indicate that after the euphoria that followed the "no war" of Davos, the continuing intransigence of Ankara sets a dilemma for Mr Papandreu: either to later abandon the Greek-Turkish rapprochement informing his allies that "I did whatever I could but the Turks are intransigent" or to hold elections to gain the people's approval for Davos and the bases.

These evaluations are confirmed by articles in the American press about elections to be held in Greece "this coming summer" as well as by information coming from the prime minister's entourage. However, the chances that this scenario will be realized are very few.

This Fall

The leader of ND, Mr K. Mitsotakis, and a series of higher cadres of his party estimate that the surprise elections will take place by mid-fall and they have thus

started taking a series of measures—such as the establishment of an "electoral struggle committee"—which will allow them to avoid getting caught by surprise.

According to the election staff of the opposition party, elections will be held toward the end of this year for the following two reasons, besides the publicity campaign by Mr Papandreu.

First: The policy of grants that will be the major electoral advantage of Mr A. Papandreu and that will perhaps be launched at the farmers by Mr Papandreu himself next Sunday, 3 April, at Kileler, will take 4 to 5 months to produce results from the time each of its components will be announced. On the other hand, this policy of grants bears fruit only in the short run, because the very bad condition of the economy and especially the deficits do not allow its extension. At some point, it will therefore have to be curtailed. This combination of events leads to the conclusion that the elections will be held towards the end of the fall and in any event by the end of 1988.

Second, and perhaps more important: Fall is the best period for the farmers whose support the PASOK always hopes to get because this is the time the farmers begin to cash in on the summer sales.

Finally, the scenario that calls for elections this coming fall is supported by reports that PASOK has already ordered great quantities of paper that will be used for billboards and flyers. At the same time, PASOK is preparing an important financial campaign, headed by G. Katsifaras.

It could be that this spring we will be able to concentrate unhindered on the preparation of the skewered lamb for Easter, without tricks, billboards and deafening loud-speaker appeals.

8193/9274

Papandreu Described by Entourage as 'Depressed'
35210088d Athens EMBISTEVTIKO GRAMMA in Greek 6 Apr 88 p 12

[Excerpt] "Depressed, pensive, confused" is how his collocutors find A. Papandreu. Tending toward the same conclusion are the PASOK deputies whom he invites for private talks, and newspaper owners who saw him recently, as well as the members of his immediate entourage. The prime minister's depression is attributed to:

- the fact that Papandreu accuses people of "not remembering" PASOK's accomplishments and his own;
- the inability of cadres like Laliotis and others to rebuild the party; and
- the Prime Minister's intense personal irritation that K. Mitsotakis may succeed him as prime minister.

12593

Papandreu Succession Discussed, Gennimatas Evaluated

35210088a Athens EMBISTEVTIKO GRAMMA in Greek 6 Apr 88 p 17

[Commentary: "G. Gennimatas: The Key for Him Is His Distance From the Leadership"]

[Text] Today we come to the third in our series of analyses of the struggle for the succession within PASOK.

Our basic hypothesis, just to remind you once again, is that Papandreu will withdraw from active politics, whether through a defeat in the coming national elections or through the presidential elections in 1990. In our assessment, the major candidates to succeed Papandreu today are K. Laliotis, K. Simitis, G. Gennimatas, G. Papandreu and A. Koutsogiorgas. In the preceding two issues we examined the prospects for the first two. Today it is G. Gennimatas' turn.

The three main political characteristics of the current minister of labor are:

1. Political Ability

First there is his undoubtedly political ability, which has enabled him to hold a series of difficult posts (health, trade unions) without doing any damage at all to his personal appeal. And this despite the fact that at the Ministry of Health in particular, he undertook to implement a government policy which we all know today was condemned to fail from the start because of the way it began.

Of course, Gennimatas' political ability is primarily tactical in nature. He is very good at building personal relationships (many people in PASOK were really uneasy over the network of interpersonal relationships he had created as minister of the interior), he is good to very good in debates on television and in Parliament, and he has a feeling for public opinion. On the other hand, from the point of view of strategy his talents are not so apparent. He may have emerged personally unscathed from his term at the Ministry of Health, but he demonstrated that he was not extremely skilled at governing, at least at that time.

The ability to recognize and correct a bad policy in time.

The ruling party has expended immense sums on health care without, as we know, being able in the end to improve the level of care offered. It pays hospital doctors far better but they are not satisfied nor productive nor willing to meet the needs of the provinces. It has built a multitude of health centers but has not been able to

increase the total number of beds. For all this—which will cost PASOK votes as well as money—a large part of the responsibility rests with Gennimatas.

2. Popularity

Today Gennimatas' popularity is at a very high level, higher than that of Papandreu or any other PASOK official. This fact is generally thought to be (and is) his strongest point. However, it is a superficial political strength. The question as to popularity ("Do you have a positive or negative opinion of...?") is one of the most deceptive questions a poll can ask because it completely ignores the intensity with which each respondent holds that positive or negative view. In France, for instance, Le Pen has a 10 percent rating in polls but Banias is stronger than that.

If Le Pen's supporters are fanatics, then his strength in public opinion is of course far greater.

This is precisely what Gennimatas' popularity is like; unlike Papandreu he does not have 20-25 percent of the electorate who will follow him blindly whatever he does. That is why we must not overestimate his popularity (nor the similar case of Evert).

3. Not Favored by the Leadership

Gennimatas' third and, in our opinion, decisive political characteristic is that he is not favored by the leadership. If there is a regular succession in PASOK with Papandreu moving up to become president of the Republic, no one doubts that his influence will be decisive in the choice of a successor. In that case Gennimatas' popularity and political ability will not do him much good since he will not have the much-desired blessing from Papandreu.

On the other hand, if PASOK loses the election the disadvantage of being at some distance from the leadership could prove invaluable, because the blame for any defeat would certainly fall entirely on Papandreu, and the repressed feelings of the cadres whom the president of PASOK has so humiliated would explode pitilessly. That kind of "anti-Papandreu" climate would significantly strengthen the position of Gennimatas (who has "suffered so many trials silently, heroically, and obediently"). So much so that taking into account his other qualities, we may go so far as to consider him the most likely successor if PASOK loses the next election.

12593

Giorgos Papandreu 'Supported' by Father
35210088b Athens EMBISTEVTIKO GRAMMA in Greek 6 Apr 88 p 10

[Text] Giorgos A. Papandreu now completely dominates the party apparatus, much to the displeasure of G. Gennimatas, who, it should be noted, was conspicuous

by his absence from the government ceremonies at Kileler for yet another year. In this effort of his, Giorgos Papandreu has the material—and other—support of his father, who wants to destroy the minister of labor, once powerful within the party but still enjoying support at the grassroots level; Andreas' desire is all the stronger since polls show Gennimatas to be more popular than the prime minister. As part of the long-term effort to establish the conditions for A. Papandreu to be succeeded by his son, G. Papandreu has set up a regular office which includes a group of pollsters and computer data analysts.

12593

PASOK Seen Desirous of Attracting Centrists
35210088c Athens EMBISTEVTIKO GRAMMA in Greek 6 Apr 88 p 11

[Text] Headed by certain cadres including G. Petsos and L. Veryvakis and by collaborators like K. Alavanos, PASOK has begun a "charm campaign" directed at Center-Right opinion makers; the main purpose is to capture a sensitive group of undecided voters.

The aforementioned persons argue that A. Papandreu has clearly made a political shift and that there are in fact minimal differences between the Center Union's old positions and aims and those of Papandreu.

Consequently, PASOK centrists say, the Movement corresponds better to the Center Union's postdictatorship positions than does K. Mitsotakis' ND. According to our information, Ad. Pepelasis will try to contact centrist elements and people in KODISO after Easter to build a first bridge between PASOK and this segment of the public.

12593

NORWAY

Progress Party Continues Growth in Polling as Labor Party Drops

Government Seen Lacking Solutions
36390066 Oslo AFTENPOSTEN in Norwegian 30 Apr 88 p 3

[Article by Kjell Hanssen; first paragraph is AFTENPOSTEN introduction]

[Text] The Labor Party and the Center Party hit an all-time low. The Progressive Party is snapping at the heels of the Conservatives and the Socialist Left [SV]. This is shown in the Norwegian Gallup Institute's election barometer for April, which was conducted in the period before and after the Progressive Party [FRP] held its televised national congress in Bergen.

The poll shows increasing voter instability. Support for Hagen's party increased by 4.6 percent while the Conservatives and the Labor Party declined by 3.0 and 2.7 percent respectively.

The 30.6 percent rating is the lowest support level the Gallup Institute has ever noted for the Labor Party. The Center Party also set a record low at 5.5 percent.

Congress Not the Only Factor

Are the big shifts simply a result of the great attention paid by the media to the FRP congress? The Gallup answer is no. The interviews were conducted in the week before and the week after the national congress, from 11 to 25 April. But the institute was unable to measure any major differences in party preference from one week to the next.

Problems Everywhere

Thus the explanation for Hagen's popularity lies not only in his own success but also in the failures of others. The Labor government is not having an easy time. Results are lacking. The government often seems to lack answers to the problems and many of the answers that are given confuse and annoy the government's own supporters.

At the same time the government is being supported by the middle parties, especially the Center Party. This has wrecked nonsocialist cooperation. And so far the Conservative Party has been unable as well as unwilling to present itself as a separate government alternative as the Labor Party has done on the other side of the political spectrum.

When political life seem to be disorganized, a party that is "different" acquires new possibilities.

In contrast to the results released by Opinion, Inc. last week, the Conservative Party retained its position as the country's second largest party in today's poll. But it now has a lead of only 3 percent. For the first time the two parties on the right registered a larger combined total than the Labor Party [AP] and SV in a Gallup poll and had the support of more than 40 percent of the respondents (40.1 percent).

On and On?

What are the Progressive Party's prospects for continued growth? In the survey, 35 percent of the Conservative supporters said that they regard the Progressive Party as the second best party. Some 8 percent of the AP voters said the same thing. These are the two areas for new recruiting that are available to Hagen. But the very growth of the Progressive Party has also made it more vulnerable, a larger FRP has also become a fishing ground for the two other parties.

Some 54 percent of FRP supporters regard the Conservative Party as the second best party and in absolute

	1985 %	1987 April %	Sept. %	%	Nov. %	%	1988 Jan. %	Feb. %	%	April %
(1)	40.8	40.1	38.9	38.3	38.1	34.8	35.1	34.8	33.3	30.6
(2)	0.6	0.4	1.0	0.6	0.1	0.2	0.3	0.3	0.3	0.6
(3)	3.7	4.1	9.3	10.6	10.6	12.6	13.1	13.1	14.2	18.6
(4)	30.4	31.7	25.0	24.7	26.1	26.8	24.6	25.7	24.5	21.5
(5)	8.3	7.6	7.9	7.8	6.8	7.2	7.2	7.3	7.7	7.9
(6)	0.2	0.3	0.2	0.3	0.1	0.3	0.3	0.3	0.0	0.0
(7)	0.6	0.3	0.5	0.6	0.7	0.8	1.1	0.7	1.0	0.9
(8)	6.6	6.6	6.8	6.6	7.0	6.7	6.2	6.3	6.2	5.5
(9)	5.5	5.5	5.9	6.2	7.0	7.8	7.4	6.7	7.7	8.5
(10)	3.1	3.0	4.4	4.1	3.3	4.3	4.3	4.2	4.9	4.7
(11)	0.4	0.4	0.8	0.8	0.1	0.1	0.1	0.4	0.3	1.2
(12)	100.1	100.0	100.2	100.1	99.9	100.0	99.7	100.	100.0	100.0
(13)	46.3	45.6	44.8	44.5	45.1	42.6	42.5	41.5	41.0	39.1
(14)	45.8	45.9	39.2	39.1	39.9	39.7	38.0	39.3	38.4	31.9
(15)	49.0	50.0	48.5	49.2	50.5	52.3	51.1	52.4	52.6	53.5

Figures indicate how many would vote if a Storting election were held tomorrow. These figures are weighted against the party respondents voted for in the 1987 municipal elections. Interviews were conducted from 11 to 25 April 1988 by the Norwegian Gallup Institute, Inc.

Key: 1. Labor Party 2. Liberal People's Party 3. Progressive Party 4. Conservative Party 5. Christian People's Party 6. Norwegian CP 7. Red Election Alliance 8. Center Party 9. Socialist Left 10. Liberal Party 11. Other 12. Total 13. Labor + Socialist Left 14. Conservatives + Christian People's Party [KRF] + Center Party [SP] 15. Conservatives + KRF + SP + FRP

figures, this is more than those who feel the other way: 72 compared to 69. And while 25 of the AP voters surveyed would convert to Hagen if they changed their party affiliation, 22 FRP voters said they would choose the Labor Party.

More Stable

In relation to last year's election both the Progressive Party and SV have remarkably high stability, in other words they have managed to retain the support of a good many of their voters so far.

Ordinarily these two parties have the most fickle supporters. But now the situation is entirely different. As many as 94 percent of those who voted for SV last year would do the same again if we had an election now. The Progressive Party would have the continued support of 90 percent of its voters. The Labor Party retained the support of only 81 percent of its voters.

Reflects 'Distancing' From Politics
36390066 Oslo *AFTENPOSTEN* in Norwegian
30 Apr 88 p 2

[Editorial: "Drift or New Course?"]

[Text] Full of sound and fury, signifying nothing....Today's election barometer from the Norwegian Gallup Institute can be a dramatic but short-term deviation from the norm. Or a warning of a fundamental rearrangement in Norwegian politics. What it turns out to be depends not only on the voters and the Progressive Party but also on the other parties.

It is clear that a large part of the gains made by Carl I. Hagen's party does not reflect active support for a particular policy but rather a distancing from politics, a general protest against life's adversities. Every opposition party is to some extent a sanctuary for this kind of discontent and a party that is opposed not only to the government but also to politics as a whole is in an even better position. In FRP even full-time politicians (like Hagen himself) can speak scornfully of full-time politicians as a phenomenon.

However there is a time limit to the strength of protests of this kind because other considerations become more important for voters as an election approaches. Then it becomes important not only what parties say but also what they can accomplish; whether they can translate their words into actions, whether they are capable of taking part in a government. (Hagen brought down a nonsocialist government, but can he help form one?) This kind of consideration is what causes third parties in British politics to be left out every time a parliamentary election is held, no matter how many victories the party has scored in local elections or opinion polls along the way.

Hagen's opportunity to move freely through the political landscape also has a time limit, of course. So far he has been able to criticize the weaknesses of the structures created by others quite freely without being exposed to a critical review of his own blueprints. The other parties are just starting to figure out the cost of Hagen's proposals. He will be given the same treatment they give each other.

Another reason why the Progressive Party has made gains is that the regulation-happy parties (often with the Conservative Party as the only exception) have given the party far too many polemical points. What is correct in welfare policy has too often been marred by excesses. The public sector runs more things than it should. It is true that the results are not good enough. The tax burden is too heavy. Too many unnecessary and irritating regulations are created. If one wants to prevent an extreme party from winning support, one must make sure that the results of a moderate policy do not seem even more extreme.

Protests do not arise for no reason at all. They may provide a completely wrong answer but they are the result of a problem. Of course the reason why the Progressive Party's success has hurt the political opposition just as much as the ruling party is that the opposition does not seem to offer an alternative in itself. It is worth remembering that almost 3 years ago, when the choice lay between a nonsocialist and a socialist government, Hagen did not receive more than 3-4 percent of the votes.

Conservative MP Views Trend
36390066 Oslo *AFTENPOSTEN* in Norwegian
3 May 88 p 3, 4 May 88 p 3

[Guest commentary by Storting representative Lars Roar Langset; first paragraph in each article is *AFTENPOSTEN* introduction]

[3 May 88, p 3]

[Text] In 1973 doctrinaire socialism was demanding elbowroom. Today doctrinaire liberalism is in the ascendant, according to Storting Representative Lars Roar Langset (Conservative) in the first of two articles in which he analyzes the success of the Progressive Party and the challenges it presents to the Conservative Party.

Recent opinion polls show a fever chart of political upheavals that we must go back 15 years to match. Then—following the EC referendum—it was a deliberate movement on the far left that surged ahead and threatened to turn Norway and the world upside down with its simple formulas. Today it is an equally deliberate movement on the far right that is winning popular support with even simpler formulas.

When this kind of protest movement suddenly emerges it is often because the stability of the political system has been shaken and confidence in the efficiency of the system has been weakened. This happened then and it is happening today.

In 1973 doctrinaire socialism was demanding elbowroom. Today doctrinaire liberalism is moving ahead. SV in 1973 and the Progressive Party in 1988 have vastly different views, but there is little difference in form and effect. Both stand for a radical break with the social system we have and challenge the system with strong slogans. The most obvious difference is that SV was characterized by an exaggerated faith in the possibilities of politics while the Progressive Party flourishes on contempt for politicians.

Pressure in Labor Party

It is nothing new for an established party to have doubts about the right way to deal with a challenge of this kind. In the beginning of the 1970's there was pressure in the Labor Party to bring back old socialist solutions in an effort to stop the leakage to the left. This led to political mistakes that cost the country dearly and took time to undo.

Other countries have had similar experiences. The safest conclusion one can draw from them is that the important thing is to keep a cool head and maintain a steady course. Parties that have tried to meet competition from the extremist fringe by making themselves more like the competition have usually compounded their losses—and made it even harder to regain what has been lost. Changing course in panic is always the stupidest thing a responsible party can do.

It is even more important for the Conservatives in the present situation to realize that our main line is not something that can be traded away for tactical reasons. The Conservatives are committed to their basic conservative viewpoint which has always marked the boundary lines between them and extreme political movements, whether they come from the right or the left. It is not possible to stay on course unless the basic viewpoint is maintained.

Moderate Basic Position

Which elements of our basic position are especially relevant as guidelines in the face of today's challenges?

We must make it clear that being conservative means having a moderate basic position with regard to policy. We must seek solutions that promote our ideas through the steady growth and stable development of society, without dramatic upheavals. We must avoid solutions that destroy important parts of the social system, create unrest and insecurity and provide a basis for serious social conflicts. We must work to reconcile differences, seek out what is best for society as a whole.

This means we are responsible for seeing things in context and weighing the broad and long-term consequences of political actions. Society has become so complex that simple solutions are seldom adequate, even if they look good on paper or when they are presented in speeches to the public—and they may often have catastrophic consequences if they are put into practice.

Social Responsibility

Being conservative means showing social responsibility. The whole must weigh more than special interests, regard for a decent orderly society must be placed above egoistic self-assertion. Personal freedom is the highest of all social values—but true freedom cannot flourish without a sense of responsibility for moral obligations and social norms. If these are set aside freedom becomes a mask for selfish pursuits and anarchy.

Responsibility is especially relevant with regard to the weak, who would succumb without the support and assistance of society. The safety net that has been developed by the welfare state is an integral part of a decent society. That is why it is so important to free the welfare state from the excessive economic burdens and unnecessary bureaucracy that might undermine it.

This is something we need to reconsider—we should seek private solutions where they are appropriate, encourage individuals to feel responsible for themselves and their families, focus the welfare state on what it alone can and must accomplish. But of course the Conservatives should oppose political plans that would destroy most areas of Norwegian social policy.

Human Dignity

Being conservative involves building further on the basis of the fundamental values that have shaped our society throughout history—most notably Christianity, legal safeguards and democracy, each of which in its own way stresses human dignity as the highest standard in politics too.

This standard is being threatened from many sides in the current situation—totalitarian movements, the destruction of norms, unrestrained self-fulfillment, the technological manipulation of people's basic living conditions. Confusion is also spreading under the guise of indifference. A party with conservative values, such as the Norwegian Conservative Party, must never abandon its standards when such conflicts arise.

[4 May 88, p 3]

[Text] There has never been much sympathy in the Conservative Party for the belief of old-fashioned liberalism that everything will work out best as long as the state does as little as possible and gives the individual virtually unlimited freedom, Storting Representative

Lars Roar Langset (Conservative) writes in the second of two articles on the rise of the Progressive Party and the Conservative response to it.

Calling dogmatic liberalism to account has always played an important role in conservative thinking. That is also true of the Conservative Party: It has always been a liberal party, but time after time it has distanced itself from the slogans of liberalism about "the free play of forces" and "letting things slide," which involve unrestrained individualism at the expense of social responsibility.

Being liberal is not the same as being liberalistic; being a Conservative does not mean that one must feel related to everything that seeps in from the "right wing."

The liberal heritage that the Conservatives have revered has its core in a belief in freedom—freedom with responsibility. It has had its most important expression in legal concepts aimed at limiting the exercise of power in society through clear rules of law and clearly defined rights. For this reason the Conservative Party has opposed vague emergency powers laws that would open the door to the arbitrary use of power by an anonymous bureaucracy and the unreasonable curbing of the right of individuals to take care of their own affairs.

But there has never been much sympathy in the Conservative Party for the belief of old-fashioned liberalism that everything will work out best as long as the state does as little as possible and gives the individual virtually unlimited freedom.

Vulgar Liberalism

It is impossible to keep the state out of actual cultural activity, Conservative leader Francis Hagerup wrote in 1916. He defined cultural activity broadly: "For example, what would our own country have been like in the beginning of the 20th century if the state had not dealt with the development of transportation and business activity, the educational system, art and science? The welfare of the individual as well as that of society as a whole requires cooperation between private initiative and state activity in the cultural area. A man who is totally isolated cannot accomplish anything. Society must first create the basic conditions for his talents and energy."

This is just as valid toward the end of the 20th century—and as a response to a vulgar liberalism where the very words "cultural activity" give offense.

But in the meantime there has been an enormous growth in state power. The state has become overburdened with tasks and regulatory ambitions and is therefore unable to deal properly with the primary tasks of the public sector which only the state can handle. It has long been a major objective for the Conservative Party to set clearer limits on state power, to eliminate unnecessary regulations and

eradicate state bureaucracy, creating a more open society that challenges initiative and enterprise—so the state can take care of its most important tasks with more strength and flexibility.

Paralysis

A political ideology becomes rigid unless it constantly takes up new challenges and gives adequate responses to them. It is because conservatism is so nondoctrinaire that it has done a better job of this than competitive ideologies. Even so, its orientation is based on values that do not change. They serve as a compass that indicates the right course even in unknown terrain. Without the compass one would go astray.

When so many voters are moving from party to party today it is important to understand the deeper reasons for their discontent and protest. The reasons should be taken very seriously as an indication of social problems: an inflated public apparatus, a political system that seems paralyzed, not enough stimulation for individual efforts, etc. New thinking about this is what is most needed for a broad value-oriented debate in the Conservative Party.

Apathy

Complicated problems are seldom solved with simple solutions. But as we said before: That is not a good reason for coming up with complicated solutions to simple problems.

Confidence can only be created—or restored—through solid, straightforward and long-range efforts. That is far more important for a responsible party than small daily sensations in the flickering tabloid drama of the media.

One of the reasons for the current voter migration is apathy resulting from the feeling that there is no non-socialist government alternative at present. This is not the Conservatives' fault. More and more people are beginning to realize that a stronger Conservative Party is an unavoidable prerequisite for the restoration of the non-socialist government alternative that so many people are impatiently waiting for.

Longtime Laborite Explains Defection
36390066 Oslo *AFTENPOSTEN* in Norwegian
5 May 88 p 5

[Article by Martin Eikeland]

[Text] Kristiansand—Ingeborg Emilie Thygesen of Kristiansand has changed her political course. After supporting the Labor Party all her life, the 93-year-old woman became a member of the Progressive Party on Monday.

"I am thinking of future generations," she said. The 93-year-old woman made her decision on the basis of what she has heard herself in recent years. She energetically denied that other people had influenced her to join the Progressive Party.

"One must make one's own decisions, no matter how old one is. I have followed the political debate on the radio in recent years and Carl I. Hagen convinced me. He speaks a language that people understand and what he says makes sense too.

"The Progressive Party represents the politics of the future," said the great-great-grandmother from Kristiansand. She used to have great respect for Gro Harlem Brundtland, but the prime minister's numerous and lengthy trips abroad have completely destroyed her confidence.

Ingeborg Emilie Thygesen said that it is not easy to be old in Norway today. She suffers from poor vision and has difficulty moving around. Her daughter, who resides in Oslo, has been in Kristiansand for several months to look after her mother. "It has been extremely difficult to get some relief for my daughter. Luckily the city was able to give us a little help in May," said Ingeborg Emilie Thygesen, who lives in her own apartment on Klappane in Kristiansand.

The shift to the Progressive Party is not the first dramatic step the courageous Kristiansand woman has taken. On her own initiative she decided to leave the Norwegian Church and join the Catholic Church.

"I have no doubt that the choice I made then, over 30 years ago, was correct. It is important for Christianity to maintain its position in this country. I believe the Progressive Party will take care of that best," said the 93-year-old woman who is especially concerned about the abortion laws. Ingeborg Emilie Thygesen thinks the Storting election in 1989 will be a resounding victory for Carl I. Hagen and FRP.

"I sincerely hope so. If that doesn't happen there is a risk that conditions will be the same as they were in the 1920's and 1930's," said the new Progressive Party member, who was born in 1894.

06578

TURKEY

U.S. Interest in Kurdish Matters Considered Dangerous
35540128c Istanbul MILLIYET in Turkish
7 Mar 88 p 8

[Text] Our administration is exhibiting such hesitation between EEC membership, Turkish-Islamic synthesis and the Islamic Republic model that one wonders if it has not yet been able to find the foreign support it wants.

Strange and conflicting events multiply and flourish all at once.

Turkey signed the Defense and Economic Cooperation Agreement with the United States, but is unable to get the aid it has requested from either NATO or the United States. Until yesterday, rallies to protest the cruelties committed against the Palestinians were not permitted in Turkey, but the position changed. Everyone who went to the Friday services in Istanbul stayed afterward to sing hymns and happily burn the Israeli flag. There was no police intervention in the protests at the Israeli mission in Ankara. Meanwhile, a government member announced that Israel "will remain outside the water-for-peace project," to which the Israeli mission registered a reaction.

It was in such a climate that Qaddumi, the PLO's number-two man, received a pretty warm welcome in Ankara during which Foreign Minister Yilmaz used the term "occupied Palestinian lands."

A minister, who asked not to be identified, leaked a report to the press that Turkey will seek other ties if U.S. and NATO "indifference" continues and will turn to cooperation "outside NATO" with Saudi Arabia, Egypt, and certain Muslim countries in the Middle East and Africa.

Reports that Egypt and Turkey will hold joint exercises were added to this scenario.

On the one hand, there are claims and arguments that Turkey will be able to recall its Aegean Army thanks to the "spirit of Davos"...

And on the other, there are reports that America has a finger in the Kurdish problem!

The "campaign to form public opinion" at home and abroad that the Turkish and Muslim population in the Soviet Union will create a serious problem for Moscow is gaining speed. The newspaper FIGARO wrote that "Turkish consciousness and a concept of Islam-based nationalism are gradually spreading in the Soviet Union, and this situation is causing the Russians anxiety," while the magazine FORUM, published in Turkey, wrote about Ataturk's interest in the Central Asian Turks! Aydin Yalcin stressed that an intense interest in and concern for the future of Turkishness is rising worldwide and told how Ataturk had said, "There are no separate nations of Oguz, Khirgiz, Tatar, Ozbek, Kazakh, or Yakut, but only the Turkish nation."

Motherland Party Erzurum Deputy Mehmet Kahraman announced in the Budget Commission that Turkish-Islamic synthesis is here to stay:

"One can no longer think outside Turk-Islam," he said.

While the claim has not been denied that Korkut Ozal has "stored in his computer 8,000 names" that will form the Islamic party of the future, Suleymanists are divulging plans to overthrow the state and "slice up like an onion" those who do not think as they do. And a Motherland deputy proposes that the Friday sermon be broadcast on television.

Now, let us relate a different interpretation of this confusing situation. A former senator with a military background said the other day:

"America prefers that Turkey follow Pakistan and Iran in establishing an Islamic state to upset the Soviet region where Turkish and Muslim elements are concentrated. A pretty good effort has been made in this direction since 12 September. America also wants a large portion of the Turkish army to be deployed to the Persian Gulf and the region near the Soviet Union to be the policeman of the area. This is why the Americans are stirring up the Kurdish problem. The Turkish army has been equipped to respond to PKK actions and a significant, well-trained portion is now in the southeast. Washington thinks Turkey's Aegean Army should disperse and a significant portion of it be redeployed to the southeast. The United States supported Turkish-Greek rapprochement for this reason."

This is one way of looking at things. We do not claim that it will turn out exactly this way. However, ever since we heard this interpretation—about a month ago—developments have followed strangely in parallel...just as the pieces of a jigsaw puzzle gradually fit together more easily.

08349/09599

Commentary on Hardships Imposed by U.S. Middle East Policy

*35540137a Istanbul TERCUMAN in Turkish
20 Mar 88 p 9*

[Editorial by Mim Kemal Oke]

[Excerpts] It may be because we are too preoccupied with our domestic bickering that we are not able to discern the American scenario for the Middle East for the year 2000. But, if we look closely and read between the lines a master plan emerges.

When joining NATO in the early fifties Turkey was using defense of the Middle East as one of its strong suits. But today Turkey does not want to assume that role at all. It does not want to take part in a scenario that would create consternation in the Arab and Islamic worlds. As Turkey resists assuming that role, the Iran-Iraq war continues, and the American director of the play does not take action.

But, in some way it does. To entice it into the Middle East a carrot is being dangled in front of Turkey: Mosul. When Turkey refuses, the "Kurdish question" is reheated to prepare the way for Turkey to move into Iraq for security reasons.

In trying to ward off the pressure from the United States, Turkey has been getting closer to the Islamic Conference Organization on the one hand and forcing the gates of the EEC on the other. But when economic cooperation with Islamic countries reaches beyond a certain point cries of "religious reactionism" are heard almost on cue, and Turkey is admonished. When integration with Europe becomes an option, recognition of the so-called "Armenian genocide" is demanded as an entry fee, which somehow manages to find an echo in the U.S. Congress as well. Turkey is then told: "If you want to save yourself from the Armenian lobby, work together with the Jewish lobby." The bill for all this is presented in the form of getting closer to Israel, which means going back to the American scenario once again.

When Turkey says it has no minorities problem, it is promptly reminded of our ethnic brethren in Western Thrace and Bulgaria. When we recount their story at international forums they say: "But, don't you have any Muslim minorities in your Southeast?" Questions are then raised as to why Turkey applies the ethnic criterion in Western Thrace and Bulgaria while insisting on religious criteria in Southeast Anatolia [viewing the Kurds as Sunni Muslims]. If Southeast Anatolia is Turkish then the same criterion should apply to Mosul—which by the same standards can be considered Turkish. The question is then asked: why Turkey does not engage in a repeat performance, like the one in Cyprus back in 1974 when it intervened to save its ethnic brethren, in Mosul.

It is difficult to gauge Turkey's response to these efforts to activate Turkey in the Middle East in an almost Israel-like manner. Perhaps Prime Minister Ozal is trying to effect changes in U.S. policies by presenting projects such as "Water for Peace"—which is very much in keeping with his de-politization efforts at home and his re-focusing of attention on economic issues. Whatever the strategy, Turkish diplomacy faces a difficult task. Keeping out of the Middle East is no solution, neither is the American scenario. Turkey finds itself in the position of having to enter a porcelain shop with a two-by-four in hand. Our national interest requires us to get out of the shop without wreaking much damage. That is when the real Nobel [Peace Prize] should be awarded, and by the Turkish nation itself!

12466

Writer Fears Soviet Intent in Aegean

*35540137c Istanbul TERCUMAN in Turkish
18 Mar 88 p 4*

[Editorial by Fahir Armaoglu]

[Excerpt] In his press conference on 10 December 1987, before leaving Washington D.C., [Soviet Leader] Gorbachev came up with yet another bombshell, declaring

NATO's southern flank to be a region where NATO enjoys conventional superiority. In an article we wrote at the time ("Is it Turkey's Turn?") we said that Gorbachev wanted to make Turkey an item of negotiation and his words created some anxiety in Turkish government circles.

Three months later, and the issue nearly forgotten, Gorbachev has rekindled it in a speech at the Yugoslav parliament the other day. In that speech, Gorbachev takes up the issue of NATO's southern flank, characterizes it as a "Mediterranean problem," and invites the Americans to the table for discussions about the Mediterranean. Wherever he gets his information from, Gorbachev has pronounced the Mediterranean to be a region ready to explode, very innocently proposing the limiting and even reducing the U.S. and Soviet naval power in the area so as to lower tensions(!).

Two points ought to be noted here. First, in referring to the Mediterranean Gorbachev labels it as a region vital to Soviet interests, which is another way of saying that the Mediterranean is not a place where America can just walk around freely without concern; it is also an area of vital interest to the Soviets.

The second point concerns his call to the Americans to discuss the matter. It thus seems that any bargaining over the Mediterranean would not be confined simply to the waters of that sea, given that there is Turkey and Greece between the Soviet Union and the Mediterranean, and also that, with the exception of Yugoslavia, all the countries in the Mediterranean's northern shore are members of NATO. As Turkey happens to be the most strategically-placed of these countries, standing on the path of the Soviets on their way to the Middle East, there is no doubt that Turkey would be viewed as the focal point of such negotiations.

Now we would like to see the response of the United States.

12466

Mass Rally Supports PLO, Condemns Israel
35540137b Istanbul MILLIYET in Turkish
21 Mar 88 p 13

[Text] The mass rally labeled "Solidarity with the Palestinian People" took place in the Bayrampasha district of Istanbul yesterday. During the rally, which was attended by 25,000 people, the Israeli oppression of Palestinians

was condemned, the Israeli flag was burned and anti-Israeli slogans were shouted. The rally which was punctuated by occasional cries of "God is great!" was attended by Prosperity Party (RP) Leader Necmettin Erbakan. Also attending were Ibrahim Tamim, chancellor to the PLO Office in Turkey, Zaresanci consul-general of the Islamic Republic of Iran in Istanbul, and the dean of the Faculty of Shari'a in [Saudi] Arabia.

The rally was attended by people from outside town as well. The participants were searched before being allowed into the square. Among the slogans shouted: "Hitler, [Ariel] Sharon, the same thing," "Jews, Masons! The blood [of the Palestinians] will be avenged," "Down with America, down with Russia," "Devout youth unified for Palestine," "Curse to the Jew, a state for Palestine." Women wearing chador and headscarf were noted at the rally. The police cordoned off the area and heavy security measures were in effect.

Erbakan's Speech

In his speech, Erbakan stated that the Israeli oppression had been going on for the last 40 years. He went on to say:

"America is becoming a supporter of Israeli barbarism. So are Europe and Russia. If they want they could stop this barbarism. Our people of 60 million are praying for the liberation of the Palestinians. But, the government does not heed this call for brotherhood. Many countries have broken off diplomatic relations with Israel but Turkey is still maintaining it. The government's mild reaction to the massacres can only encourage them further."

Tamim, from the PLO Office, noted that Israel was using U.S.-made poison gas bombs countering the non-violent resistance of the Palestinian people. Tayyip Erdogan, RP chairman of Istanbul province, announced a campaign to collect food and clothing for the Palestinians, to which 10 tons had already been contributed.

Groups shouting slogans not cleared by the organizing committee (such as "Down with the Armenians") were called to order by the organizers. And, a poster was taken off bearing the inscription, "Hear this Jew! It's not the PLO but the army of Mohammed that is coming." Around the square where the rally took place military units were placed alongside the police.

12466

DENMARK**Former Defense Minister Engell Hits
Mobilization Force Cuts**

*36130058 Copenhagen BERLINGSKE TIDENDE
in Danish 10 Apr 88 p 6*

[Guest commentary by Hans Engell, former defense minister, member of the Folketing (Conservative) and chairman of the Conservative People's Party's Defense Committee: "Compulsory Military Service Riddled With Holes"]

[Text] Unless many more conscripts are called up in the coming years than are being called up at present, the Army's mobilization force will either be sharply cut or its effectiveness will be markedly reduced. This is the harsh fact facing the Danish Armed Forces now that its mobilization force has been riddled with holes during the past dozen or so years by low call ups of conscripts.

This is why an increase of about 2,000 men per year in the conscript force is one of the main points in the government's draft of a new defense system. But without a defense compromise, it now appears that the Armed Forces will have to continue with the present number of conscripts called up and the mobilization force's situation will worsen further thereby. It was with this in mind that the Armed Forces Command clearly pointed out that one of the consequences of a budget freeze would be a temporary reduction of 2,000 men in the fighting forces' 72,000 men. This could be at the expense of one of the two Zealand brigades.

But why are more conscripts so necessary?

Today the Army's structure is built in part on privates appointed on a contractual basis and in part on conscripts who serve 9 or 12 months. After their first period of service, conscripts are sent back home and thereafter enter the mobilization force, which in peacetime is maintained by inspections or further call ups, among other things. At present the Army's combat force numbers 72,000 and in recent years it has been greatly cut. And today it is hard just to hold these 72,000 because few conscripts are being called up. The result is, just in order to be able to stay at the same overall figure, they are forced to retain those soldiers who have been sent back home in the mobilization force for an unreasonably long time. This is why it is possible to have situation in which a 40-year old father gets a call up notice but his 20-year-old son has not been and will not be a soldier.

Today the Armed Forces call up less than one-fourth of the young men who become liable for military service in a given year. Last year 38,500 were called up. Of these 30,000 were judged to be fit to serve. But this year the Armed Forces can only call up about 29 percent of this figure—only 23.1 percent of young men who come of age during the entire year will do military service in 1988. If we look at the trend of the past 6 years, the figures show

that 78.7 percent of young men have not done military service. We are thus in a situation in which a catastrophically small part of the population has what is needed to contribute to the country's defense.

This situation is naturally not unknown to our allies. And it is not the least on this point that Denmark is meeting increasing criticism from NATO. It is, for example, hard for the English to understand when we ask them to send 15,000 of their young soldiers here as reinforcements while we in Denmark do not call up so much as one-quarter of our own young men. For Tim, John, Gordon and all the others in the United Kingdom Mobile Force, it is an odd feeling when they meet their Danish contemporaries in the harbor of Esbjerg or Kalundborg who will not be soldiers.

When we look at the other Nordic countries as well, the differences are striking. In a period of tension, Norway (with 1 million fewer inhabitants) can put together a fighting force of 320,000 men (including the Home Guard), Sweden more than 800,000, Finland 700,000—and Denmark 145,000, of which more than one-half is comprised of the Home Guard.

In the other Western countries, which, like Denmark, must expect smaller numbers of eligible young men per year owing to falling birth rates, extensive initiatives have been taken to maintain the effectiveness of the mobilization force. Thus West Germany, with which Denmark shares defense duties within the Unitary Command, has made particularly far-ranging decisions in order to maintain the reliability of its federal forces. As of 1 June 1989, military service will extend from 15 to 18 months. Beginning in 1986, Germany made it possible to recall 200,000 men a year, and beginning in the 1990's, calculations are that they will be able to recall up to 400,000 men a year.

Here at home the ever lower figure of conscripts presents growing problems for the Home Guard as well, which must now allocate much bigger sums to basic training than before. In 1981 about 47 percent of new male members of the Home Guard had no military background. This year that figure is expected to go up to 52 percent.

Compulsory military service has an economic side too. At present a conscript's annual remuneration is 115,000 kroner—undoubtedly the world's highest salary for a soldier. (Norway: approximately 17,000 kroner per year; Finland: approximately 10,000 kroner per year.) Here at home the Armed Forces pay 1.1 billion kroner yearly to conscripts. But conscript wages were introduced at a time when a transition from big to small call ups had taken place and there was full youth employment. The young man who was "unlucky" enough to be called up would basically not be treated worse than one who got exempted. Today the situation—the economic one as

well—looks quite different. And in the coming years if it is decided to expand the conscript force, one of the arguments for the very high economic level will disappear at the same time.

Changes in the conscription system should thus naturally be followed by a revision of the salary system. This ought to be realistic politically as well—all the more so since today there is no unwillingness to do compulsory military duty. In the past 5 years the percentage of volunteers in the Army has been over 80—in 1975 this figure was 11 percent. Today there is a far more positive attitude towards the Armed Forces among youth than we have witnessed for many years. This change of attitude should naturally benefit the Armed Forces as well.

Because compulsory military service also has an obvious attitudinal side. Compulsory military service became obligatory for all "arms-bearing men" in the 1849 Constitution. This is still in the Constitution but in truth the actual content has been watered down. And this is a great shame—both for the young and the Armed Forces. The young derive benefit from the challenges their military service can offer, and the Armed Forces need a representative cross section of Danish youth, as found among conscripts and which on a day-to-day basis furnishes the regular staff with a major inspiration. Similarly soldiers who are back home will keep their interest in the Armed Forces, their branch and their regiment throughout their life—and they will understand the significance and the duties of the Armed Forces. In other words, there is a close connection between the willingness to serve and compulsory service. It is no accident that the strongest willingness to help defend is felt in those countries which have firmly held onto a general military obligation, e.g., the other Nordic countries, where each family has members of every age who have been in uniform.

In both military and attitudinal terms, then, there are good reasons to "reintroduce" the general military obligation by gradually increasing the conscript force. The willingness to defend is first and foremost a question of each person's making an effort. And what is closer to this than the country's own population?

12789/12232

FEDERAL REPUBLIC OF GERMANY

Revised Brigade Structures, Equipment Allocations Detailed

36200093 Bonn WEHRDIENST in German
28 Mar 88 pp 3, 4

[Unattributed article: "Military Contractors Have Started Briefing Bundeswehr About Their Entrepreneurial Plans for Announced Army Structure 2000"]

[Text] The Army command will start testing the new structure at the end of 1988 and expects reorganization to be completed about 1995. Army Chief of Staff Von

Ondarza's comments on "organizational plans for large units of the German Army" provide the first points of reference for future business with the Federal Government:

First of all concerning materiel: The planned 1989 budget has forced the Army to make cuts in its plans for materiel. Structure 2000 takes account of these changes and corresponds to the Army's recommendation for the 1989 Bundeswehr plan. It is, therefore, even more significant that in November 1987 the chief of staff purposefully shifted additional resources to eliminate particularly glaring weak points in order to remove, above all, some of the serious flaws in the equipment of the new B- and C-brigades. Thus the following will be accomplished in increments:

- improved ability to command with modern command resources,
- adequate mobility by means of armored transport vehicles and
- first needed improvements of the infantry's combat effectiveness.

We must maintain a modern Army. Command, reconnaissance, fire power, blocking capability and mobility must be improved.

The new Army structure: In the future the Army's 42 brigades will contain dissimilar units. These brigades have not yet received a permanent designation. I will use the following as working concepts:

—16 A-brigades (armored brigades): After receiving the Marder-2 these brigades, as all of today's mechanized brigades, should be able to conduct mobile warfare with combined arms. Their equipment corresponds to that of today's highly mobile mechanized brigades. A balanced contingent of armored infantry (eliminating the armored infantry deficiency) is planned. Planned units for each brigade are: two armored tank battalions, each with 53 Leopard-2 tanks; two armored infantry battalions, each with 31 Marder A-3 armored personnel carriers; one armored artillery battalion with 16 155-mm self-propelled M-109 howitzers.

—Six B1 and six B2 brigades (armored infantry brigades): B1 brigades can only receive armored battalions equipped with A-5 Leopard-1 tanks for their anti-tank defense mission. Units for each B-1 brigade are: 2 armored infantry battalions, each with 31 Marder-A3 armored personnel carriers; 2 armored battalions, each with 53 A5/6 Leopard tanks; one armored field artillery battalion with 10 self-propelled M-109 howitzers. B2 brigades will have significantly fewer tanks than B1 brigades. Their armored battalion will only have 40 A5 Leopard-1 tanks.

—Five C-brigades (armored infantry brigades and one mountain infantry brigade): C-brigades, with an organic contingent of A2/A3 Leopard-1 tanks as heavy antitank weapons, will have to remain limited to static operations and will require considerable time to prepare for defensive operations. This brigade develops its special combat capabilities in terrain favorable for creating barriers. In contrast to A- and B-brigades, which will have an armored engineer company, C-brigades will have an armored engineer battalion which will enhance their blocking capabilities. The units planned for each brigade are: four armored infantry battalions, each with 13 A2 and A3 Leopard-1 tanks and 39 armored transport vehicles; one engineer battalion and one armored artillery battalion with 16 M-109 howitzers. The mountain infantry brigade will be organized much like a C-brigade (but with Leopard tanks consolidated in one battalion for mobile antitank defense).

—Two security brigades provided only with motorized infantry battalions for area and site protection of I and II Corps (only one security regiment for III Corps).

—Five air mobile brigades: These brigades will be consolidated into one air mobile division each for I Corps and II Corps. One air mobile brigade (mixed) will remain for III Corps. Each division—in addition to two transport regiments in each of which 96 helicopters are consolidated—are scheduled to receive one parachute brigade and one antitank helicopter brigade. The brigade units are: Two parachute battalions with varying, mission-related structures and two armored parachute battalions, each with 60 airborne Wiesel tanks, for the parachute brigade; for the antitank helicopter brigades there are two antitank helicopter battalions, each with 40 helicopters and one technical section. The airborne brigades constitute a strategic reserve, especially after PAH-2 antitank helicopters are placed in service. A combined operational unit is planned comprising antitank helicopters, escort helicopters, and four medium transport helicopters.

—German-French brigade: At first this brigade can only be manned by members of a home defense regiment and it is comparable to a C-brigade. Planned units for the brigade are: a German armored infantry battalion, a German field artillery battalion, a German-French service support battalion, a French infantry regiment and a French armored regiment.

The future structure will, of course, not be restricted to that of a brigade. Division and corps units will be staffed to the extent that it can be justified. Staff restrictions, already severe today, do not, however, leave much latitude. The Army's information transmission and processing will be consolidated in the new headquarters/communications battalion. By changing the allocation of intelligence resources the effectiveness of the command-reconnaissance-fire combination will be significantly enhanced. A corps-level combat drone unit will place operational fire power directly into the hands of

the commanding general—a logical step and in line with FOFA [Follow-on Forces Attack]. Additional gains in rationalization at one of these command levels are not possible. The units for each of the 10 mechanized divisions are: one artillery and antiaircraft regiment and one headquarters/communications battalion, one armored reconnaissance battalion, one armored engineer battalion, one resupply battalion, one maintenance battalion and one medical battalion.

The command capability of the territorial army will be improved above its current state and the efficiency of territorial commands will be raised. Personnel of existing home defense brigades will man the 15 home defense regiments to such a degree that they will no longer remain strictly as skeleton units and they will have active motorized infantry battalions or training battalions at their disposal.

There is no longer any room for rationalization in offices and schools. The growing training, education, command and mobilization requirements demand that current standards be at least maintained. In case of mobilization even schools will be used as much as possible for staffing large units. According to current plans, 15 brigades will be on hand at about 70 percent staffing. The remaining brigades only have about 50 percent of peacetime strength. Every second line battalion of these brigades is staffed according to the principle of splitting (a new term for "Kalbung" [giving birth to a calf]).

12628

FINLAND

Coast Artillery Purchasing Saab Sea Defense Missiles
36500098b Helsinki HUFVUDSTADSBLADET in Swedish 28 Apr 88 p 11

[Text] The Defense Ministry will order sea defense missiles and spare parts for the coastal artillery from Saab Missiles AB of Sweden. The order is worth around 66 million marks.

The missile system is basically the same as the one found in missile ships of the Helsinki class. Oy Sisu-Auto AB will supply the vehicles that are part of the system. In a compensatory arrangement, Saab Missiles has promised to make equivalent purchases from Finland.

06578

Chernobyl Events Resulting in New Funding for Civil Defense
36500098a Helsinki HUFVUDSTADSBLADET in Swedish 28 Apr 88 p 3

[Text] The Chernobyl reactor accident 2 years ago activated Finnish civil defense and led to the purchase of new measuring devices and the acceleration of efforts to

update the Civil Defense Act, on which work had already begun. It is also believed that Finnish nuclear power plants are better prepared technically to handle accidents.

The Internal Affairs Ministry increased funding for such things as purchasing radiation meters immediately after the Chernobyl accident. The oldest equipment has now been completely modernized and all the meters are of the same brand. Chief Inspector Janne Koivukoski of the ministry's rescue division emphasized that measurement results are now more reliable and easier to compare with each other.

"Before the accident, external radiation was measured 24 hours a day at 36 places around the country. Today every district alarm center has a measurement device, which means they are found in 60 different locations. The devices also register changes in so-called background radiation," Koivukoski said.

Radiation is measured once a week at a total of 295 measurement stations. In addition the defense system keeps track of nuclear radiation with its own measurement devices which are in the hands of 95 military units.

Rural areas, especially northern Lapland, lie outside the measurement system. The Internal Affairs Ministry is developing a network of automatic measurement stations and is currently waiting for bids from domestic manufacturers. This year's budget contains funding for 12 experimental stations that will be placed in county seats, perhaps as early as the end of this year. Koivukoski said that the automatic stations may eventually replace the network that measures radiation once a week if operating costs are reasonable.

Finland is already regarded as having a very effective network for the measurement of external radiation. Austria is the only place with a more extensive surveillance system.

Roomier Shelters

Reform of the Civil Defense Act had begun even before Chernobyl, but according to Koivukoski this work definitely speeded up and became easier following the accident. Under the latest proposal from the Internal Affairs Ministry, the number of shelter spaces will increase almost twice as fast as the 60,000 spaces per year that had been planned. The consultation round was concluded in March and the ministry believes that the law could be debated in parliament this spring or by fall at the latest.

The goal is to offer every Finn protection from radioactivity that comes across our borders. The proposal would expand the obligation to build shelters to include the entire country. Today this obligation affects only 100 so-called protected areas, mostly industrial districts or

individual industries. In these areas shelters must be built in new brick buildings that are larger than 3,000 cubic meters, in other words around 1,000 square meters.

In practice only single-family homes and duplexes would be exempt from constructing shelters under the new proposal, since the proposed new limit is 300 square meters. At the same time the obligation to build shelters would be expanded to include wooden houses as well.

Shelters are divided into so-called light shelters and regular shelters. In protected areas, buildings that are smaller than 1,000 square meters must have a light shelter while buildings larger than 1,000 square meters must be provided with regular shelters. In rural areas, light shelters will be sufficient regardless of the size of the building.

It is estimated that people in a light shelter will receive one-fortieth of the radiation they would be exposed to outside. The walls are around half as thick as they are in regular shelters. The Internal Affairs Ministry estimates that building shelters will increase construction costs by around 1 percent.

Power Plants Get New Safety Systems

Modernization of the safety systems of Finnish nuclear power plants accelerated after the Chernobyl accident, according to people at the Radiation Safety Center. The main effort is to make sure that a reactor's protective structure will stand up if an accident occurs. When the present power plants were built no one imagined that the reactor core might melt down and now it has been necessary to expand the safety system, according to acting assistant section chief Hannu Koponen of the center's nuclear safety division.

Koponen said that the supervision of domestic nuclear power plants is constantly being made more effective. Special emphasis has been placed on reducing the possibility of so-called human error.

The operating permits of all Finnish nuclear power plants must be renewed this year and the Radiation Safety Center is currently preparing its permits. Koponen called this year a period of review for Finnish nuclear power technology, involving a re-examination of both waste disposal and plant safety.

06578

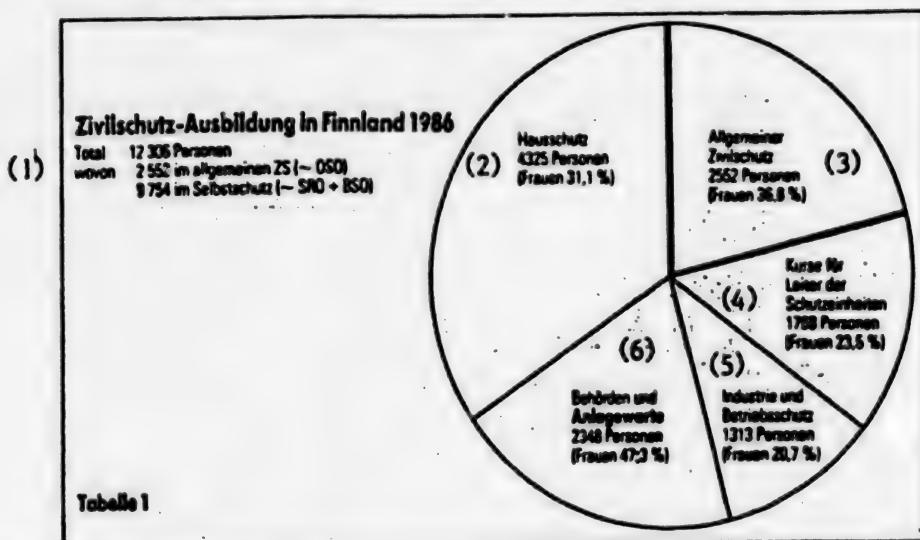
Overview of National Civil Defense System

*36200090 Bonn ZIVILVERTEIDIGUNG in German
Jan 88 pp 38-40*

[First sentence of text is ZIVILVERTEIDIGUNG introduction]

[Text] (Reprinted with the kind permission of ZIVILVERTEIDIGUNG magazine published by the Swiss Civil Defense Association). In Finland, civil defense and national

Table 1. Civil Defense Training in Finland 1986



Key:

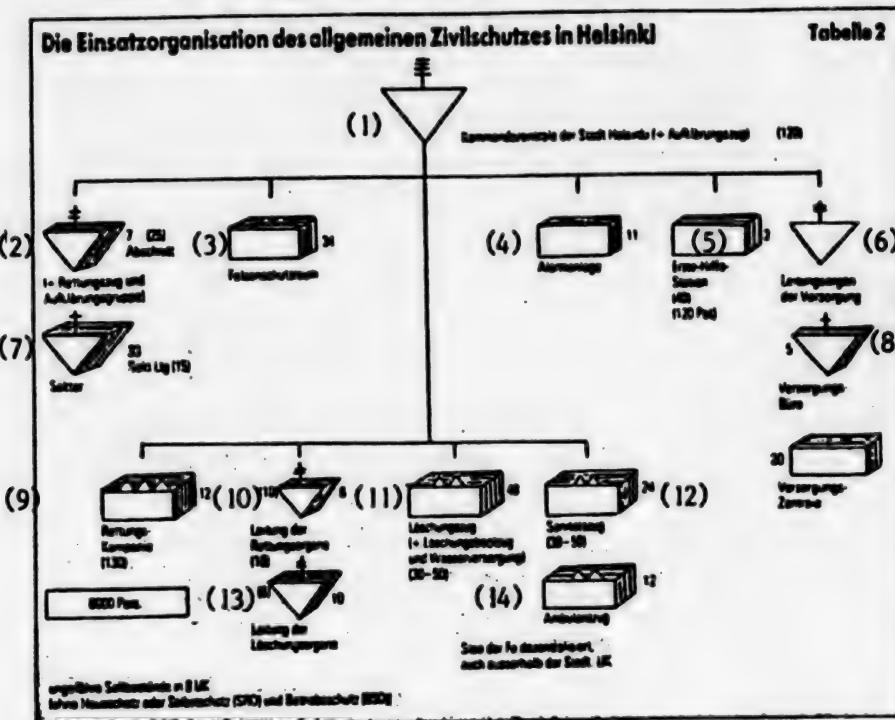
1. Total: 12,306 persons. Of these, 2,552 were trained as members of the official CD system and 9,754 to provide self-protection.
2. Home protection: 4,325 (31.1 percent women)
3. Official CD: 2,552 (36.8 women)
4. Courses for CD unit leaders: 1,786 (23.5 percent women)
5. Industrial and factory CD: 1,313 (20.7 percent women)
6. Government and installation wardens: 2,348 (47.3 percent women)

defense as such have been treated as a matter of course by both the authorities and the population for decades. The bitter experience of the war days, when Russian bombers bombarded Helsinki and other Finnish cities, has remained in popular memory. The civil defense organization is under the ministry of the interior, in coordination with other ministries concerned. A special department is responsible for all civil defense matters, down to the provincial authorities, the communities and the protection of factories and homes. Preparations have also been made for cooperation with the Red Cross, the Finnish Fire Protection Association, the fire and rescue

committees, the special rescue services and the provincial and community committees.

In principle, participation in civil defense takes place on a voluntary basis with the exception of civil service and factory officials and functionaries. In case of war, the government may order all citizens between the age of 15 and 64 to take part in civil defense. The entire civil defense system is based on civil defense legislation passed in 1958 and a government decree issued in 1959. In January 1973, the government decided on a further expansion of the civil defense system and its responsibilities in emergency situations.

Table 2. Operations Scheme of Public CD in Helsinki



Key:

1. City of Helsinki command center (plus reconnaissance platoon)
2. Section (plus rescue platoon and reconnaissance squad)
3. Rock shelter
4. Alert station
5. First aid station (for 120 patients)
6. Supply headquarters
7. Sector (sector headquarters)
8. Supply office
9. Rescue company
10. Rescue headquarters
11. Fire brigade (fire boat brigade, water supply)
12. Medical detachment
13. Fire brigade headquarters
14. Ambulance brigade

Civil defense training takes place at a government civil defense school and in special courses in the provinces and communities. Basic training of the population is the responsibility of the Finnish Civil Defense Association. The equipment, available at all levels of the system, is up-to-date and efficient. There are some 40 government protection and operations units, made up of 165 army reservists each, comparable to our own [Swiss] civil air defense units. These units, which are at the disposal of the provinces, may be used for relief operations of a regional nature. Construction of air raid shelters which

must be paid for by home owners has been compulsory by law since 1955. At this time, shelters are available for one-third of Finland's population of more than 4 million. In addition, there are public shelters, e.g., the huge, well equipped rock shelters in Helsinki. The post and telegraph administration in conjunction with the Armed Forces is responsible for alerting the population. The alert system covers the entire country; even the sparsely populated northern provinces. In addition, radio and television stand ready to transfer their studio operations to prepared facilities underground.

Table 3.

Popular View of Efficiency of Finnish CD System

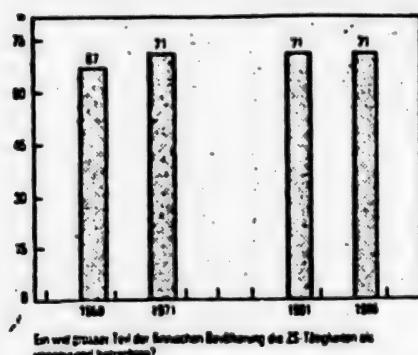


Tabelle 3

Key:

1. Percentage of Finland's population which feels that civil defense activities are adequate

Table 4.

Is CD Needed in These Situations? (Percentage of Positive Responses)

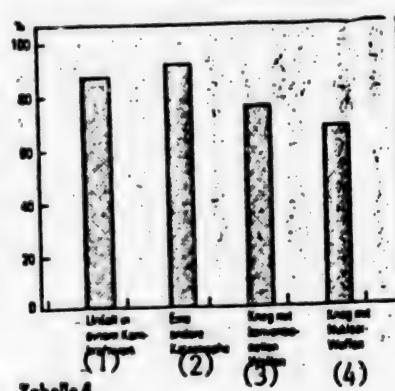


Tabelle 4

Key:

1. Nuclear power plant accident
2. Some other type of disaster
3. Conventional war
4. Nuclear war

Table 5. Popular View of CD State of Readiness in Finland 1986

	(1) Schätzung					
	(2) Sehr gut	(3) Ziemlich gut	(4) Ziemlich schlecht	(5) Sehr schlecht	Kann nicht	(6) sagen
(7) Menge der Schutzräume	1	17	55	22	6	
(8) Gebrauchsbereitschaft der Schutzräume	1	15	49	27	7	
(9) Alarmierung der Einwohner	5	44	35	12	3	
(10) Kenntnisse des gewöhnlichen Staatsbürgers	0	11	53	35	2	
(11) Bereitschaft der Behörden	4	49	32	8	8	
Tabelle 5						

Key:

1. Evaluation
2. Very good
3. Fairly good
4. Somewhat poor
5. Very poor
6. No opinion
7. Number of shelters
8. Readiness for use of shelters
9. Alerting inhabitants
10. Awareness of average citizen
11. Readiness of authorities

Table 6. How Well Can CD System Protect Population in Different Circumstances ?

	% (1) Sehr gut	Ziemlich (2) gut	Ziemlich (3)schlecht	Sehr (4)schlecht	Kann nicht (5)sagen
(6) Im Falle in diesem Ort ein Transportunfall eines gefährlichen Giftes z.B. Chlor passiert					
im Oktober 1981	3	14	41	39	3
im Dezember 1986	1	15	51	28	6
(8) Im Falle ein Konflikt gegen Finnland passiert, wobei keine Kernwaffen verwendet werden					
im Oktober 1981	2	31	42	20	5
im Dezember 1986	1	33	45	15	6
(9) Im Falle sich nukleare Kontamination über Finnland verbreitet, infolge anderswo geschehener Kernexplosion					
im Oktober 1981	1	7	34	55	5
im Dezember 1986	1	7	45	44	4
Tabelle 6					

Key:

1. Very good
2. Fairly good
3. Somewhat poor
4. Very poor
5. No opinion
6. In case there is a transport accident involving poisonous chemicals, e.g. chlorine
7. In October 1981; December 1986
8. In case of a non-nuclear conflict involving Finland
9. In case of the spread of nuclear fallout over Finland as a result of a nuclear explosion elsewhere

Table 7. Cost of Civil Defense in Finland
(Popular Reaction to Possible Expansion of CD System)

	% (1) unterstützt die Entwicklung	(2)unterstützt die Entwicklung nicht	Kann nicht sagen (3)
(4) Erhöhung der Steuern abhängend vom Niveau der Einkommen 10 000–100 000 Mark im Jahr pro Person	54	41	5
(5) Ein Tag im Jahr obligatorische ZS-Ausbildung	79	19	2
(6) Bau des Schutzraumes in allen Wohnhäusern	49	48	6
Tabelle 7			

Key:

1. For
2. Against
3. No opinion
4. Tax increase based on 10,000–100,000 markkas annual income per person
5. 1 day's compulsory CD training each year
6. Construction of shelters in all dwellings

Table 8. Finnish Women on Participation in National Defense 1986

(1)	1. Allgemeine Abwehrausbildung	
(2)	● auf freiwilliger Basis	57 %
	● obligatorisch	33 %
		90 %
(3)	2. Ausbildung für bewaffnete Aufgaben	
	● auf freiwilliger Basis	41 %
	● obligatorisch	8 %
		49 %
(4)	3. Ausbildung für die Sanitätsversorgung in ausserordentlichen Lagen	
	● auf freiwilliger Basis	43 %
	● obligatorisch	54 %
		97 %

Key:

1. General defense training
2. Voluntary; compulsory
3. Training for armed conflict
4. Training for medical assistance in exceptional situations

**Table 9. Sources of Civil Defense Expertise in Finland 1986
(Comparative Importance of Sources)**

	%	(1) Sehr wichtig	(2) Ziemlich wichtig	(3) Nicht sehr wichtig	(4) Gar nicht wichtig	Kann nicht sagen (5)
(6) Schule		14	24	23	35	4
(7) Arbeitsplatz		10	21	26	38	6
(8) Militärdienst (Männer)	24	41	14	12	19	
(9) Zivilschutzkurse	17	18	8	42	15	
Presse, Radio und Fernsehen	(10)	29	53	14	3	1
Heim		12	25	20	31	4

Key:

1. Very important
2. Somewhat important
3. Not very important
4. Of no importance
5. No opinion
6. School
7. Workplace
8. Military service (men)
9. Civil defense training courses
10. Press, radio, television
11. Home
12. Source of tables: Finnish Civil Defense Association

This brief report on the Finnish civil defense system would not be complete without a word about the countrywide operations of the Finnish Civil Defense Association with which the Swiss Civil Defense Association has had excellent relations for decades. The [Finnish] association, founded in 1927, will be 60 years old this year. It consists of 35 regional and local membership organizations and counts more than 400 communities among its members. As mentioned above, the association is responsible for a majority of the civil defense training programs. Toward this end, it engages in a wide-ranging information program, including exhibits and publications and operates a publishing house of its own. The association also aims special programs at women and young people. We should also mention the large permanent civil defense exhibit in one of the rock shelters in the Finnish capital. The above makes it plain that the Finnish organization, as compared to its Swiss counterpart, has taken on huge responsibilities. In the 60 years of its existence, it has contributed to gaining great prestige for civil defense in Finnish public life and to making it a permanent part of national defense as a whole. In closing, we should mention the civil defense committee of the Finnish parliament, created some years ago, which is responsible (like the military committee in its particular field) for the active protection of the population.

09478

FRANCE

Details Released on New Light Frigates

35190059b Paris COLS BLEUS in French

16 Apr 88 pp 14, 15

[Article by Captain Le Masne de Chermont of the Navy Staff]

[Text] The decision to launch the program for six light frigates makes it possible to begin the development and construction phases for those ships, the first of which is to enter active service at the start of 1994.

These light frigates, whose construction was first planned in 1982, are destined to replace some of our escort frigates, which were certainly sturdy and whose nautical qualities were beyond question, but it had become urgent to think about replacing them because of their great age and the obsolescence of some of their equipment.

Missions

The light frigate is a fighting ship of about 3,000 tons whose main mission will be to participate in the resolution of crises outside Europe, as the escort frigates are currently doing in the Indian Ocean. It may also carry

out surveillance missions in the approaches to our overseas territories or even France, ensure the safety of maritime shipping, and participate in missions for protecting a naval air group.

The light frigate must therefore be capable on its own of confronting rather high-level air and sea threats, and a special effort is being made to ensure its stealth qualities and resistance to combat damage.

This ship must be able to stay on patrol for about 50 days. Its maximum speed is on the order of 25 knots, and its degree of stabilization will enable it to launch a medium heavy helicopter in seas of up to force 6.

General Design

The architecture of the light frigate has been designed to provide the vessel with the qualities required for operating far from its base for long periods in all climatic zones and in all weather conditions.

A very special effort is being made to improve the frigate's survivability, particularly by reducing the equivalent radar signature and the acoustic signature, improving resistance to combat damage, and improving safety with respect to the munitions carried.

Available spaces have been set aside to facilitate modernization in the future. For example, the possibility of installing a surface-to-air antimissile system (SAAM) based on the Aster missile developed by AEROSPATIALE [National Industrial Aerospace Company] and an antitorpedo system (SLAT) has been provided for.

The propulsion system is capable of imparting to the frigate a speed exceeding 25 knots as well as a minimum speed of 8 knots for an unlimited period of time.

Improved Survivability

The improved survivability is due basically to solutions adopted by the naval architect when the frigate was being designed: living quarters are divided into two distinct areas, lateral passageways which considerably increase the protection of those quarters from small arms fire, double bulkheads separate the propulsion rooms, and the SAAM is located forward.

The equivalent radar surface has been reduced by eliminating as many dihedrals and bright surfaces as possible, rearranging the superstructure, and making it possible to camouflage the boats.

Propulsion

The light frigate is propelled through two shafts fitted with controllable-pitch propellers.

Each shaft is driven by a propulsion unit consisting of two diesel engines, a single-stage reducing gear, and two hydraulic couplings.

The propulsion units are located in compartments separated by a connecting compartment.

Weapons and Equipment

The light frigate's basic function is antiship operations. Its combat system is therefore built chiefly around sea-to-sea missiles, and the medium heavy helicopter will be capable of delivering missiles of the air-to-sea type.

In addition to its considerable HF, UHF, and VHF communications capability, the frigate's communications equipment includes automatic data link systems and a light satellite telecommunications station.

Its electromagnetic detection equipment consists of a type V-15 combined air-and-surface search radar with extractor and IFF, a navigation radar, and a landing radar.

Its electronic warfare equipment consists of a type ARBR-17 radar detector and a decoy system of the Dagaie type.

As far as navigation aids are concerned, the frigate is equipped with a central inertial guidance system, an automatic pilot, and a receiver for the NavStar satellite navigation system.

The processing of data relative to establishment of the tactical situation, threat assessment, and weapon use is handled by a system of the SENIT type.

Lastly, self-defense weapons consist of a Crotale-type SACP [short-range surface-to-air] weapon system and 100mm main artillery consisting of a turret located forward and a radar fire control system.

Characteristics

Length between perpendiculars: 110 meters.

Overall length: 119 meters.

Maximum width at waterline: 13.8 meters.

Average trial displacement: about 3,000 tons.

Propulsive power: about 20,000 hp.

Maximum speed: over 25 knots.

Range at 15 knots: 7,000 nautical miles.

Endurance without replenishment of stores: 50 days.

GREECE

Details on Planned German-Frigate Acquisition

Satisfactory Offsets Seen

35210089 Athens 1 KATHIMERINI in Greek
19 Apr 88 pp 1, 11

[Text] The Germans are giving us special military aid amounting to DM450 million to offset the purchase of four MEKO 200 HN-type frigates, according to an announcement by the Ministry of National Defense. The total cost reaches the impressive amount of \$1,170 million, i.e., about 170 billion drachmas. With the special aid of DM450 million, we shall acquire 75 modern tanks of the Leopard-1A3 class (valued at DM250 million) and 28 F104G fighter planes with parts, related base servicing materiel (valued at DM100 million), and DM100 million in foreign exchange.

The decision was taken by KYSEA [Government Council for Foreign Affairs and Defense] following a recommendation by Deputy Prime Minister and Minister of Defense I. Kharalambopoulos, and GEN [General Naval Staff] Chief Vice Adm Leon. Vasilikopoulos.

The ministry announcement says that:

—The decision was based on a comprehensive evaluation of the four frigates, following long negotiations with the companies that build the five types of frigates [as published].

—None of the types of frigates examined had any disadvantages, but the German-type ships were chosen because:

1. From a technical and operational point of view they meet the needs of our Navy and have already been tried by naval forces.

2. Their scheduled completion time is among the shortest.

3. The compensatory benefits (DM450 million) offer the more realistic advantages.

4. The agreement secures technology transfer and cooperation among states.

5. The offer included the most advantageous terms taking into consideration the fact that the Greek government, after official negotiations with the German government, has secured the procurement of 75 tanks and 28 airplanes.

The first of the frigates will be built in Germany, where Greek technical personnel will receive training so that the other three ships can be built in our country. This will help us approach the level of self-reliance in defense.

strengthen the viability of the shipyards of our country, save part of the foreign exchange needed, and ensure employment for a considerable period of time to those working in the shipyards.

According to reliable information:

—The frigates will be 2,800 tons each. The first will be delivered in 1992, with the other three following at intervals until 1995.

—They will carry U.S. weapons systems that will be paid by FMS (low interest long-term loans for the purchase of military equipment).

—The electronic equipment will be purchased from the West German manufacturer, but it is possible that part of it might also come from the United States.

—Fifty of the Leopard 1-A3 tanks will be delivered soon, while the remaining 25 will be delivered later.

Special Loan Seen Needed

35210089 Athens *I KATHIMERINI* in Greek
20 Apr 88 p 1

[Text] A special European loan will be necessary to pay for the program for the purchase of four German MEKO-type frigates; well informed sources yesterday said that the purchase was decided the day before yesterday by KYSEA [Government Council for Foreign Affairs and Defense].

The loan will be obtained with the help of the German builder of the MEKO frigates, BLOHM and VOSS; the interest rate is expected to be slightly under 7 percent; the possibility of an agreement on a flexible interest rate, if the Greek side wants it, is not precluded. It should be pointed out that the mentioned interest rate is considerably higher than that of the FMS loans (5-5.5 percent) that would have been charged if KYSEA had decided to buy the American frigate Superior, built by TODD, instead of the MEKO frigates.

The total cost of the program has been set at \$1.2 billion, 50 percent of which will be for the building of the four vessels by BLOHM and VOSS. An amount of about \$400 million will be spent for the procurement of battle systems (electronics, etc.) and warning equipment, manufactured by Signal and Dornier respectively. The Greek side has the option, however, to choose American systems if it prefers to do so.

The four new frigates will be equipped with American origin Seasparrow and Harpoons weapons systems at a cost of \$150 million and will be purchased with existing FMS money. It is anticipated that the Greek MEKO vessels will have an American General Electric engine as their main engine, purchased with FMS funds; the auxiliary engines will be German MTU.

Several parties have already expressed reservations about the choice by KYSEA; responsible officials say, however, that what is important is that it was finally decided to purchase the four frigates, which were absolutely necessary to secure a strong Greek Navy presence in the Mediterranean, because of the naval history of our country and the size of our merchant marine, whose interests the Greek Navy must be in a position to defend.

Sources of the Ministry of Defense yesterday tried to justify the decision for the purchase of the four frigates, which contradicts an earlier decision of those governing the country on the subject of procurement of small fast vessels.

The need for the presence of large Greek naval units in the Aegean must be taken into consideration, the sources said yesterday to military reporters. They added that some of the old destroyers of our fleet are reaching the marginal limits of their useful life. The sources also said that it is a mistake to compare frigates and missile boats because their tactical use is completely different.

On the subject of the total cost for the purchase of the frigates, it was being made clear that it includes the purchase of weapons systems and electronic equipment too.

8193/12232

FEDERAL REPUBLIC OF GERMANY

Federal Labor Office President Franke Calls for More Jobs

36200091 Duesseldorf HANDELSBLATT in German
29-30 Apr 88 p 3

[Article by na: "We Need More Jobs, Not More Ways To Exert Pressure on the Unemployed." Federal Labor Office/Conversation With Heinrich Franke—Tightening Up Reasonable Expectation Regulation Would Not Accomplish Much"; entire article reproduces Franke's comments, even where not attributed to him]

[Text] HANDELSBLATT, Thursday, 28 Apr 88, Dusseldorf—The president of the Federal Labor Office, Heinrich Franke, told the HANDELSBLATT that he is against tightening up the Reasonable Expectation Regulation and rejected compulsory measures against youthful unemployed as unsuitable. "We need more jobs and not more ways to exert pressure on the unemployed," Franke said.

Discussions about shirkers and an unwillingness to work come up every so often. So far they have never led to anything. Naturally we must use every means to prevent shirkers and those unwilling to work from living off the community. Unfortunately, however, this discussion always gives the impression that a rather large portion of the unemployed fall into these categories. Moreover, it is usually forgotten that on the average an unemployed person receives only about DM1,030 per month in unemployment money. Average unemployment aid is only DM840. In such discussions it is also often forgotten that a third of the unemployed receive no help from the Federal Labor Office.

In reference to the Federal Labor Office's statistics, Franke said that these statistics are defined in the Labor Stimulation Act (Sections 100 ff.). It simply is not possible to delimit them otherwise without amending the law. The statistics tell a story. Before one criticizes them, one ought first to study them very carefully. Statistics can never provide exact information about what a person's innermost motivations are.

Labor market statistics are far better than they are reputed to be, Franke stated. This is because many of those who criticize them are really not thoroughly familiar with them. However, it is never possible to determine exactly with statistics whether a person really wants to work or not. That has to be put to the test.

In order to find out whether people really want to work, one must offer them a job. Unfortunately, that is not possible in every case, since there are about 2 million jobs too few. Nonetheless, labor bureaus naturally attempt to determine how many are not seriously interested in a job. Franke: "The findings show that only a small percentage is involved," about 10 percent of all unemployed and about 3.5 percent of new registrations.

The problem also reflects the poor job prospects and retirement transition problems of individuals, and to a lesser degree training transition problems and "unwillingness to work" in the usual sense. Surveys show that 84 percent of all unemployed and no less than 91 percent of all long-term unemployed make an effort to find work. Franke also pointed out that on the average the unemployed make 13 job applications, the long-term unemployed no fewer than 17.

When asked whether he supports tightening up the stoppage period for those unwilling to work or even compulsory measures for the unemployed young, Franke replied that the Federal Labor Office's Reasonable Expectation Regulation states roughly that the unemployed must be prepared to work on the same terms as the employed. Otherwise, unemployment money is stopped for a period.

Only a Small Number of Stoppages

Of course it would be possible to tighten up the Reasonable Expectation Regulation but even so his earlier comments would still be true: the willingness to work can be tested only by making a concrete job offer. Tightening up the Reasonable Expectation Regulation would not create more jobs. Furthermore, this also leaves the question of whether this is socially acceptable. Why should the unemployed be put in a worse position than the employed?

Last year there were 26,300 stoppage periods due to refusal to accept a reasonable job. In 4,700 cases the right to aid lapsed entirely because a person refused a second reasonable job.

These figures must be viewed against the background of the 3.47 million applications for unemployment money and aid submitted to labor bureaus in 1987. It should also be remembered that labor bureaus found just over 2 million new jobs for people last year. They filled 70-80 percent of the jobs listed with them.

If one bears in mind that companies use other methods to fill jobs as well—sometimes at the same time—then this is a very high percentage. Tightening up the Reasonable Expectation Regulation will not accomplish much therefore, and compulsory measures for the youthful unemployed are unsuitable too.

12593

TURKEY

Construction Contractors See High Potential in Libya

35540132b Istanbul DUNYA in Turkish 5 Mar 88 p 8

[Text] Nejat Gul, a member of the Executive Council of the Enka Construction and Industry Corporation and the head of the company's North African division, said

that the Libyan market remains lucrative for Turkish construction companies and that his company has Libyan contracts totaling \$500 million over the next 3 years. Stating that Turkish construction firms have been awarded Libyan contracts totaling nearly \$8 billion since the Libyan market opened up in 1973, Gul said that the growth of overseas construction work has had a major positive impact on Turkey's balance of payments.

Gul stated that Turkish contractors doing work in overseas markets must balance their domestic and foreign contracts. Gul answered DUNYA's questions as follows:

DUNYA: Mr Gul, what is the position of the Turkish construction firms in North African countries?

Gul: Enka's operations in Arab countries are grouped into three categories: Saudi Arabia and the Gulf countries, Iraq and Jordan, and the North African countries. In North Africa, Enka has been active primarily in Libya. We have also received some invitations for bids from Tunisia, Algeria, Morocco and Egypt. We bid on a few of them, but I do not see a serious potential for work in those countries. At present, Enka has ongoing operations in Iraq, Jordan and Libya. I would estimate that the potential volume of work in Libya is currently about \$200 million a year. Several European firms have pulled out of the Libyan market. At present, Korean and Turkish firms and one Indian firm are operating in Libya. In the past, the volume of work in Libya could be as high as \$2 billion a year, but we could get only a few hundred million dollars of that. Today, the volume of work in Libya is only about \$500 million a year, but we are still getting the work because the other firms are bidding higher than us. If these conditions do not grow worse, Libya will continue to be the most lucrative Arab country for the construction business.

DUNYA: What are the problems of the Turkish firms abroad? In particular, what are the problems regarding their machinery stocks in Libya?

Gul: What I know is that Turkish contractors have been awarded contracts totaling nearly \$8 billion since 1973. Approximately 3 to 4 percent of that \$8 billion must have been spent for buying machinery. In other words, at this time the Turkish construction firms have a machinery stock of \$300 million in Libya. Nobody is thinking of leaving those machines in Libya and not bringing them to Turkey. However, the machines have been used, and it is more rational to leave them there because the operations are continuing. But let me state it this way: Certain procedures are required to re-export machinery that was imported duty-free into Libya. The required permits can be obtained if you have come for a certain project, you have finished that project, you have completed the necessary customs declarations to the effect that that project has been completed, and you have delivered the papers certifying the completion of the

project to the necessary offices. However, these procedures necessitate time and patience. Moreover, it is unnecessary to bring to Turkey machinery which has been used and worn out and which is being used in ongoing projects there.

DUNYA: Do the Turkish contracting firms doing work overseas receive adequate support from the government?

Gul: I do not believe that the contractors doing work outside of Turkey receive the proper amount of attention. When a permit is granted, no checks are made. When companies were advised to go overseas, nearly 100 firms went overseas. At present, the government is not providing too many incentives. In reality, the work of the Turkish contractors overseas has major benefits. Such work generates large amounts of foreign currency and machinery. Another benefit is that the workers employed by firms doing work overseas alleviate the unemployment problem in Turkey, though only to a minor extent. I would estimate that there at least 30,000 to 40,000 Turkish workers in Libya alone. Very large investments would be required to provide jobs to so many people in Turkey. The government must offer some easements to the contractors doing work overseas—such as giving a higher exchange rate for the foreign currency they bring, tax exemptions and cheap credit.

DUNYA: How will the construction sector be affected if Turkey becomes a full member of the EEC?

Gul: When we enter the EEC Turkey will be able to win projects everywhere. For one thing, our costs are much lower than theirs in the construction sector. That means that it would be difficult for a European firm to win any contracts in Turkey. But the Turkish firms can expand more easily. Of course, foreign firms are already bidding on large projects in Turkey. However, the construction sector in European countries has been in a state of stagnation for the last 10 years. They have solved their infrastructure and housing problems and have only minor revision projects. If the Iran-Iraq war ends we can undertake large projects in those countries.

The government must take steps to support serious firms to encourage Turkish firms to be more active overseas. The selected firms must have the strength and the experience to do work overseas.

9588

South Africa Ends Preferential Tariff Rate
35540140b Istanbul DUNYA in Turkish
28 Mar 88 pp 1, 10

[Text] Ankara—The South African government announced that it is ending the low tariff rate charged on Turkish goods.

The South African government declared that effective 29 April 1988 it will end the 3-percent reduced tariff rate it has applied to imports from Turkey since 1 January 1988.

South Africa reduced customs duties on Turkish goods from 30 percent to 3 percent on 1 January 1988. It is reported that the South African Ministry of Economic Affairs wants to negotiate with the Turkish government the terms under which the preferential tariff rate could be restored and that they would like Turkey to offer certain trade advantages to South African goods.

According to the tariff system that has been in effect since 1 January 1988, goods Turkey exported to South Africa are subject to a maximum customs duty of 3 percent. South African manufacturers, particularly those in the textile sector, have reportedly complained about unfair competition from Turkish goods.

9588

1987 Trade Volume With France High
35540130b Istanbul DUNYA in Turkish
5 Mar 88 pp 1, 6

[Excerpts] Ankara (DUNYA)—The Turkish-French Working Group meeting was held yesterday. Attending the meeting, held to prepare for the Joint Economic Commission meeting, were a 12-person delegation headed by Elizabeth Kahn, assistant director for Western relations in the French Ministry of Economy, Finance and Privatization, and a 14-person Turkish delegation headed by Tuna Iskier, acting general director for agreements in the Treasury and Foreign Trade Under Secretariat [TFTU].

A TFTU official, remarking on the increase in recent years in trade relations between the two countries, said in reference to the working group meeting, "This is the first time we have held a preparatory meeting with a Western country prior to Joint Economic Commission meetings, and the request came from France." Topics discussed at the meeting included France's economic posture vis-a-vis Turkey, bilateral trade relations, an agreement for investment protection and commercial, industrial and agricultural cooperation.

Trade between Turkey and France has increased significantly in recent years. Trade volume was \$398,848,000 in 1983 but rose to \$1,107,439,000 in 1987. Also, in 1983 and 1984 there was a trade deficit of around \$45 million against Turkey that would remain in France's favor.

In 1985 it rose to \$298,656,000, but dropped to \$246,640,000 in 1986 and \$108,233,000 in 1987. The trade volume between the two countries broke the \$1 billion mark for the first time in 1987 when it rose to \$1,107,439,000.

Imports-Exports With France

(\$ Millions)

Year	Exports	Imports	Trade Volume
1983	180.507	218.341	398.848
1984	200.610	242.509	443.119
1985	215.281	513.937	729.218
1986	298.680	545.320	844.000
1987	499.603	607.836	1,107.439

8349/9274

12-Month Inflation Reaches 63.8 Percent

35540132a Istanbul DUNYA in Turkish
5 Mar 88 pp 1, 6

[Excerpt] Wholesale prices rose by 4.8 percent in February, according to the Istanbul Chamber of Commerce [ICC], and by 6.2 percent, according to the State Statistics Institute [SSI]. During the same period, consumer prices increased by 5.7 percent, according to the ICC, and by 5.4 percent, according to the SSI. In compliance with previous announcements, for the first time the Undersecretariat of the Treasury and Foreign Trade did not publish any price indexes this month.

The indexes published by the SSI, which are now the only government agency publishing price statistics, appear to be signaling the beginning of "hyperinflation."

According to the February figures made available by the SSI yesterday, the consumer price index rose by 63.8 percent and the wholesale price index increased by 59.6 percent over the last 12 months.

While consumer prices rose by 5.4 percent and wholesale prices increased by 6.2 percent in February, the inflation rate on an average annual basis was computed as 44.6 percent in the consumer price index and 37.8 percent in the wholesale price index.

Consumer Prices

The SSI's consumer price index figures for February indicate that the largest price increases occurred in the Black Sea region, with an annualized rate of 64.8 percent. The smallest price increases occurred in the Aegean and Marmara regions with an annualized rate of 63.3 percent. In terms of cities, the largest price increase occurred in Trabzon with an annualized rate of 68 percent and the smallest price increase occurred in Kayseri with an annualized rate of 59.3 percent.

Compared to the end of December 1987, in the first 2 months of this year consumer prices rose by 11.7 percent for all of Turkey. The 12-month period-to-period average increase in the consumer price index was 44.3 for all

of Turkey; the largest increase occurred in the Aegean and Marmara regions with 45.8 percent and the smallest in the Mediterranean region with 42.4 percent.

Wholesale Prices

The SSI reported that in February the wholesale price index rose by 5.6 percent in the agriculture sector, 14.3 percent in the mining sector, 6.4 percent in the manufacturing sector and 0.2 percent in the energy sector.

On a 12-month basis, wholesale prices rose by 59.6 percent with the following increases in different sectors: 67.4 percent in the manufacturing sector, 53.4 percent in the mining sector, 45 percent in the agriculture sector and 43.5 percent in the energy sector.

Compared to the end of December 1987, the wholesale price index rose by 13.5 percent in the first 2 months of this year. This figure was distributed among different sectors as follows: 26.9 percent in the mining sector, 15.1 percent in the manufacturing sector, 10 percent in the agriculture sector and 2.2 percent in the energy sector.

Private Sector Leads in Price Hikes

The SSI price index figures indicate that the private sector surpassed the public sector in price increases. On a 12-month basis, the prices of goods produced by the private sector rose by 61.9 percent compared to 53.8 percent in the public sector.

In the private sector, wholesale prices rose by 45 percent in the agriculture sector, 41.4 percent in the mining sector, and 73.6 percent in the manufacturing sector.

In the public sector, wholesale prices rose by 57.3 percent in the mining sector, 55.5 percent in the manufacturing sector, and 43.5 percent in the energy sector.

9588

New Economic Measures Seen Insufficient To Break Inflation

35540132c Istanbul TERCUMAN in Turkish
5 Mar 88 pp 1, 11

[Editorial by Taha Akyol: "The High Cost of Living Is Hurting"]

[Text] At the beginning of this year there were ominous indications about inflation and the balance of foreign payments. The 4 February decisions revived the "tight money policy." The aim of those decisions was to withdraw the money spent on foreign currency to the banks; that way both the banknotes circulating on the market and the demand for foreign currency would be cut.

There are indications that the 4 February decisions have been successful in drawing savings to banks and cutting the demand for foreign currency.

However, concerns on inflation persist. The fact that the January-February inflation rate for this year was 11.7 percent, twice the rate for the comparable period of last year, is a worrisome development.

Government circles may say that it is too early to see the anti-inflationary effects of the 4 February decisions. That is true. However, the proportions of the current rate of inflation are such that they cannot be stopped with the 4 February decisions alone. In other words, making the Turkish lira expensive and in short supply may rein in demand-driven inflation but it abets cost-driven inflation, which is much more dangerous. Indeed, according to figures released by the State Statistics Institute wholesale prices rose more than retail prices [in January and February].

This raises the issue of conflicting policies. The principal remedy for inflation is to increase production, but the expenditures required to increase production has a detrimental effect on inflation. Because of this paradoxical conflict the nation is beset by expectations of very high inflation. Indeed, price increases are virtually automatic. Monthly price hikes in the highly complex automotive industry quickly spread to other sectors. While the pure economic causes of inflation remain unresolved, the psychological causes (inflationary expectations), which are just as dangerous, are becoming more pervasive.

As remedies are sought for inflation through monetarist policies while trying to maintain extremely complex balances, the ordinary citizen whose daily bread has been getting smaller every day and whose plight of making a living has become a nightmare is nearing the end of his patience.

The problem is obviously one that must be dealt with in conjunction with spending priority policies.

Resources must be quickly and carefully shifted to areas where production can be increased in a short time. Municipalities must not spend another penny for "beautification" projects. The 2.5-trillion-lira deficit in the new budget is too large. Public spending which does not affect production directly must be cut further. The government must reduce domestic borrowing to a minimum. The savings from these items must be used to finance investments in the private sector which can turn into production quickly which can yield foreign currency earnings in the short term, such as tourism. If such special investment measures are not implemented in the coming months several producing firms will shut down because, with interest rates of 130 percent, they are finding it impossible to find credit for continuing their current operations, let alone for investing in new projects. That way, while demand will be cut, the reduction in production will boost cost inflation.

As Turkish Union of Chambers and Exchanges President Ali Coskun stated, in view of the apparent success of the 4 February decisions in restoring monetary balance, it is now time "to remove the tire chains," that is, to introduce policies designed to boost production.

Let us also emphasize the psychological aspects of the problem. In order to stem inflationary expectations, the Prime Minister must explain to the nation his policy of combating inflation and increasing production in a tone of "national commitment." Otherwise, we do not believe that "automated inflation" will be easily defeated with "technical" measures.

Our bureaucrats must not forget that they are implementing their economic policies not in the United States where per capita annual income is \$15,000, but in Turkey where the average monthly salary of a public servant is 120,000 Turkish lira.

9588

Agriculture Losing Share in National Income

35540130a Istanbul DUNYA in Turkish 5 Mar 88 p 8

[Text] Manisa (DUNYA)—The agriculture sector is gradually losing even more of its share of national income, according to Suat Gunes, former assembly chairman of the Manisa Chamber of Agriculture, who said, "The agricultural sector is gradually losing the hope of transferring capital directly to the industrial sector."

Gunes called for the transfer of resources from the agriculture sector to the industry sector through a group of organizations and policies that the government would apply directly. He said that with our country having begun the process of joining the European Economic Community the time had come for the consideration, formulation and implementation of compulsory and incentive-based formulas for the formation of funds whereby the farmer might contribute to new investments in agriculture-based industry in particular.

The former Manisa Chamber of Agriculture assembly chairman stressed the importance of agriculture in Manisa and the significance of its place in the economy and noted that the Gediz Basin is a source of agricultural production in which lay the most fertile soil in the country. Gunes pointed out that more than half the population of Manisa now earn a living from agriculture.

Stressing that the price of goods that farmers buy has increased more than the price of products they sell in recent years, Gunes said, "In other words, the purchasing power of farmers in our province has been significantly reduced because the course of domestic trade is steadily developing against agriculture." Gunes said that the imbalance to the detriment of the grower between product and input prices has reduced the real income of farmers and added:

"For that reason, Manisa farmers are unable to provide resources and support for industrial investments in our province. Resources are being transferred from the outside for the industrial investments that are developing with the establishment of organized industrial and small industrial zones. The Manisa farmer cannot generate net assets for industry in which he would have control. This poignant and disheartening picture is a telling example of who is getting the meat out of the pie in national income distribution.

8349/9274

Fuel Price Hikes Called Political Decision

35540140a Istanbul DUNYA in Turkish 29 Mar 88 pp 1, 10

[Text] Calling the latest fuel price increases of as high as 23.2 percent a "political decision," economists and industrialists agree that the price hike is aimed at closing the budget deficits and cutting aggregate demand by raising the general price level.

Market circles indicated that the most recent hikes in fuel prices will trigger price increases across the market and complained that there has been an incessant barrage of price hikes in the last 2 months. These circles said that the latest fuel price hikes will be reflected in about 25 percent of the prices in wholesale markets and will trigger new price increases.

Professor Yuksel Ulgen, a faculty member of the School of Economics of the Istanbul University, said that inflation, also known as "economic instability," has continued to rage in full force and noted that price hikes—including those in the "4 February decisions"—have been used to dampen domestic demand in an effort to control inflation. Professor Ulgen said: "The budget and public financing deficits have assumed major proportions. Because of that the price of fuel has been raised substantially since it translates into forced savings."

Ulgen said that although at first glance it appears that a step has been taken to cut demand in order to slow down inflation, the price hike itself will push the general price level upward. He continued:

"Because the impression that this creates in people's minds is that inflation is continuing, the latest fuel price increase will have the inevitable result of pushing the general price level upward."

Noting that the fuel price hikes, which range from 12 to 23.2 percent will be reflected in 25 percent of all costs ranging from raw materials to consumer products, Portfolio Holding Company General Coordinator, Orhan Iyiler, evaluated the situation as follows:

"World oil prices have not risen recently—or at least I do not think that they have risen by this much. Consequently, the fuel price hike is a political decision aimed at bridging budget deficits."

Stating that fuel is intensively used at the forming stage in the steel industry, Ekinciler Holding Company Board Chairman, Namik Ekinci, also said that the price hike will also affect freight costs. Ekinci cited the following figures regarding the effect of the fuel price hike on the steel industry:

"The fuel cost is 5 Turkish lira per kilogram for ingot iron and 10 Turkish lira per kilogram for formed steel. A 23 percent fuel price hike increases manufacturing costs by 3.5 Turkish lira per kilogram. The hike will also increase freight costs by 230 Turkish lira per 100 kilometers."

Saying that the fuel price increase will affect the cost of pharmaceuticals, though only to a small extent, Cengiz

Celayir, the president of the Drug Manufacturers' Association, said: "It is clear that fuel price increases will have an adverse effect on production costs."

Charging that manufacturing companies have always used fuel price hikes as a "pretext for increasing prices," market analysts insisted that all price increases made in the market so far could be attributed to fuel price increases.

Stating that the first price hikes in the wholesale market will come in "foodstuffs," market experts said that plastics, metals and other similar products will follow suit. These specialists added that manufacturing companies base all their cost calculations on fuel prices and that a new spate of price increases on the market should be considered normal.

9588

7 June 1988

TURKEY

5 Arrested for Conducting Christian Propaganda

35540127 Istanbul GUNAYDIN in Turkish

4 Mar 88 p 9

[Text] Five persons, including one German, were arrested in Samsun for setting up a front business and conducting Christian propaganda. Arrested recently for

establishing an organization to conduct Christian propaganda were Hamdi Ciftci, Mustafa Uygun, Seyfi Sahin, Ilhan Senol and the German, Steven Tunc, a consultant for a company in Samsun. These suspects, understood to have support from certain organizations abroad for propaganda purposes, were ordered arrested by the magistrate before whom they were arraigned.

08349/09599

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JUNE 29, 1988